Canada. Royal commission on publications.

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ROYAL COMMISSION ON

PUBLICATIONS

HEARINGS

HELD AT

OTTAWA

VOLUME NO:

5

DATE:

NOV. 18 1960

---Upon Resuming on Friday, November 18th, 1960.

THE CHAIRMAN: Mr. Miller.

MR. PITFIELD: Would you identify yourself?

MR. MILLER: My name, Mr. O'Leary, is John R. Miller of Hearst Magazines. Would you like me to read my brief?

THE CHAIRMAN: If you please. You are Vice-President of Hearst Magazine.

MR. MILLER: Yes, sir.

SUBMISSION BY HEARST MAGAZINES

APPEARANCES:

JOHN R. MILLER, Vice-President.

MR. MILLER: Mr. Grattan O'Leary, Chairman, Royal Commission on Publications,

---EXHIBIT NO. 10-36-60: Brief of Hearst Magazines.

MR.MILLER:We are glad to comply with Mr. Pitfield's invitation to submit our views which may be helpful to the Royal Commission on Publications.

This submission is given on behalf of the Hearst Corporation, Hearst Magazines Division.

First we would like to review for you our activities in Canada from the standpoint of product.

Being proud of the magazines we produce as a constructive power for good in the many fields

---Upon Reading on Behalf of Newsweek (Feb. 1966.

Mr. Miller:

Sir, Chairman: Could you shortly postpone?

Mr. Miller: My name, Mr. Chairman, is Sean M. Miller of Newsweek Magazine. Could you like me to read my brief?

The Chairman: If you please. You are Vice-President of Newsweek Magazine.

Mr. Miller: Yes, sir.

AUDITION BY HOUSE COMMITTEE

APPEARANCES:

John J. Miller, Vice-President.

Mr. Miller: Mr. Sean Miller, Counsel, Royal Commission on Publications.

---HEARING No. 10-46-50: Survey of Newsweek Magazine.

Mr.Miller: We wish to comply with Mr. Chairman's invitation to submit our views which we be helpful to the Royal Commission on Publications.

Mr. Chairman, Members of the Commission, Newsweek Magazine, Canada Corporation, Newsweek Magazine, Canada.

Which we would like to review for you the conditions in Canada from the standpoint of journalism.

Being aware of the unwillingness to consider as a constructive power for good in the early 1960s

covered, we feel they contribute strongly to education, progress and growth. Not the least of our objectives is to stimulate people to think.

The Hearst Magazines cover in depth fields ranging from science to homemaking.

For the purpose of clarity each of the Hearst Magazines sold in Canada is listed with a brief description.

GOOD HOUSEKEEPING

The Woman, Her Home and Her Family.

SCIENCE DIGEST

Science and technology for the layman.

HOUSE BEAUTIFUL

Devoted to the practical aspects of the home in good taste; its building, remodeling, decoration, furnishing, entertaining and gardening through the year.

HARPER'S BAZAAR

An international publication of authoritative fashions, timely features and distinguished fiction, appearing to fashion-minded women of all ages, with a special section for younger women, teen-agers and children.

POPULAR MECHANICS

Serving business, industry, agriculture, the home and automobile owner and craftsmen by reporting the progress in the field of

mechanics science and invention as applied to modern living. Fully illustrated and "Written So You Can Understand It".

TOWN & COUNTRY

An illustrated journal of society, country life, the fine arts, fashions, travel and sports.

MOTOR BOATING

Yachtsmen, motor and sail boat owners, boatbuilders, designers, dealers, marine engine and equipment manufacturers.

SPORTS AFIELD

Such sports as hunting, fishing, camping, boating, skeet and trap shooting and amateur photography. Department on dogs and their care and game breeding.

BRIDE & HOME

Devoted to the practical solution of the Bride's problems in wedding gown, bridesmaid dresses and trousseau, selection, home furnishings and decorating, wedding etiquette, honeymoon travel and homemaking.

COSMOPOLITAN

General Literary.

In addition to those Hearst Magazines listed in paragraph 7, we publish the following annuals or

semi-annuals. All of these are offered for sale in Canada through newsstand outlets.

The titles are descriptive of the content.

HOUSE BEAUTIFUL BUILDING MANUAL

HOUSE BEAUTIFUL PRACTICAL GARDENER

POPULAR MECHANICS SHOP NOTES

POPULAR MECHANICS WHAT TO MAKE

POPULAR MECHANICS HOT ROD RACING

POPULAR MECHANICS GUIDE TO STEREO SOUND

POPULAR MECHANICS SCIENCE YEAR

POPULAR MECHANICS CAR FACTS BOOK

POPULAR MECHANICS FUN WITH BOATS

POPULAR MECHANICS DESTINATION SPACE

POPULAR MECHANICS CAMPING VACATIONS

POPULAR MECHANICS LAWN & PATIO FURNISHINGS

SPORTS AFIELD BOATING ANNUAL

SPORTS AFIELD BOATBUILDING ANNUAL

SPORTS AFIELD FISHING ANNUAL

SPORTS AFIELD GUN ANNUAL

SPORTS AFIELD HUNTING ANNUAL

SPORTS AFIELD KNOW YOUR DUCKS & GEESE

SPORTS AFIELD KNOW YOUR FISH

As a second step, it may be helpful to the Commission to review approximate quantities sold of these titles in Canada in a year's time.

These are yearly quantity sales.

GOOD HOUSEKEEPING	2,100,000
SCIENCE DIGEST	100,000
HOUSE BEAUTIFUL	120,000
HARPER'S BAZAAR	150,000

THE CHAIRMAN: 150,000 in Canada?

MR. MILLER: Those are yearly sales.

The total yearly sales of annuals and semi-annuals in Canada amounts to 131,000 copies.

Again, I would like to emphasize, Mr. O'Leary, these are yearly sales.

The Hearst Magazines sale in Canada breaks down to approximately 50% sale by subscription and 50% newsstand. The profit on the newsstand sale to the Canadian retail dealer is approximately $180,000.00 and to the Canadian newsstand wholesaler $115,000.00, or a total of $295,000.00. The sale of these magazines has and is contributing to the establishing of a strong distribution organization in Canada which benefits both Canadian magazines and Hearst Magazines.

While our Canadian circulation represents a small percentage of the Hearst Magazines total yearly sale, it is important to us. It is by far the largest of any country outside the United States. United States total copies sold yearly by subscription and newsstand is approximately 118,000,000; Canadian total 4,852,000; Canadian circulation 4% of grand total.

In exploring the value of our Publications, we feel the Commission would wish to take into account the stimulus to the Canadian economy resulting from editorial content in the many fields covered. Obviously many millions of dollars are spent in Canada, as the result of the forward-looking editorial program in the fields of homemaking, building, fashion, boating, etcetera.

If we can be of assistance to the Commission in any other way, please let us know.

If I may, I would like to add a few comments.

THE CHAIRMAN: Would you like to sit down?

MR. MILLER: Thank you, very much.

As I mentioned in my submission to the Commission the profits to newsstand dealers on our magazines is $180,000 approximately, and $115,000, to the wholesaler for a total of $295,000. We pay Canadian freight carriers approximately 36,000 a year on our magazines. Our company purchases about $60,000,000 worth of newsprint in Canada for our newspapers during the course of the year.

I am putting this in, sir, just to give you the picture of our company's activities: our own book division spends about $100,000 a year for paper and printing in Canada.

This is work done in Canada; I refer to the small paper backed books.

Our magazines run articles on travel in Canada that generate tourist trade in Canada. I am talking about magazines circulated in the U.S.

I just happened to see in Bride and Home an article "Fifteen places to stay in Quebec". I did not go through and do a research job. This happens to be a current issue.

We do not feel that our magazine works a hardship in any way on the Canadian magazine industry.

THE CHAIRMAN: Any questions?

COMMISSIONER JOHNSTON: I have one or two things I would like to ask you, Mr. Miller. I wonder if you would explain for my benefit the newsstand operation in some further detail?

MR. MILLER: Yes, sir.

COMMISSIONER JOHNSTON: What is the distributor and what is the wholesaler and so forth?

MR. MILLER: The wholesaler is the gentleman to whom we ship our magazines in Canada, and then he, in turn, distributes them to the retail dealer for sales to the public.

COMMISSIONER JOHNSTON: Is there not another step in there?

MR. MILLER: No sir. We are our own distributors, and we ship directly to the wholesaler. We do not, if that is what you are thinking of, have a distributor handling our magazines. We ship directly to the Canadian wholesaler.

COMMISSIONER JOHNSTON: The only other question I have, Mr. Chairman, has to do with the percentage of advertising in these various publications. Have you that figure?

MR. MILLER: No sir, I haven't.

COMMISSIONER JOHNSTON: I am one of your subscribers so you must treat me politely.

MR. MILLER: I certainly will.

COMMISSIONER JOHNSTON: I subscribe to Motor Boating. It is a very interesting publication, particularly the advertising. I like to read about big boats I could never possibly afford to own, but it seems to me that the magazine, which is quite a thick one, is really a co-operative catalogue, and possibly that is slightly unfair to the Canadian printer, in that advertising has customer duty of ten cents a pound from the United States, whereas the same advertising bound up in the magazine with articles on motor boating and sailing and things like that enters the country duty free.

MR. MILLER: It could possibly be, sir, you are thinking of our new issue, which is

a show number. I could understand you would think it looked like a catalogue because of the thickness of it. I do not know that you could say that about the general issues throughout the year.

Mr. Chapman, who is the editor, we have considered as being the dean of this business, and we feel there is a lot more than advertising in it.

On a number of our one shots, as you know, and our annuals, we do pay a Canadian tax on the advertising, because, I believe, if you publish less than four times a year you pay two taxes, the import and -- is it the excise tax?

COMMISSIONER JOHNSTON: Yes. The sales tax. That is fine. I would like to compliment Motor Boating, also, for giving the Harmsworth Race this year a fair coverage.

MR. MILLER: Thank you.

COMMISSIONER JOHNSTON: That is all, Mr. Chairman.

COMMISSIONER BEAUBIEN: Where are your subscriptions mailed? Are they mailed from the United States, or from Canada?

MR. MILLER: Some from Canada and some from the United States. As I mentioned, we do pay freight carriers approximately $36,000 a year, I believe. They are shipped in.

COMMISSIONER BEAUBIEN: Do any of your publications run split runs?

MR. MILLER: We are starting split runs on Good Housekeeping, but that has no effect on Canada.

THE CHAIRMAN: This is a regional thing in the United States?

MR. MILLER: Yes, sir.

COMMISSIONER BEAUBIEN: No split runs will come to Canada?

MR. MILLER: No. You are thinking in terms of selling Canada as part of a split. No, sir.

THE CHAIRMAN: You have not got what they call "Special Canadian Editions", have you?

MR. MILLER: No, sir.

THE CHAIRMAN: Do you take some Canadian advertising?

MR. MILLER: I have not researched that, but I know that we had Harper's Bazaar. I think, for instance, Morgan's, or some of the fur companies, I am quite sure, do advertise in Harper's.

COMMISSIONER JOHNSTON: They are advertising to your United States audience?

MR. MILLER: Yes, sir.

THE CHAIRMAN: Thank you very much, Mr. Miller, for coming so far to give us this very interesting information. It is very good

of you to come, and we thank you for your co-operation. I must say, I do not think you are one of the people that is causing us too much concern.

Gentlemen, we have to adjourn for five or ten minutes. The next witness is not yet here.

---Short adjournment.

MR. PITFIELD: Mr. Chairman, it had been the intention of Popular Publications Incorporated of New York City to appear at this hearing. I have received a telegram from Mr. John J. McVarish of that Company, requesting that he be heard in Montreal on December 7th or 8th, due to the fact that he wants to make a more substantial submission.

THE CHAIRMAN: Would you introduce yourself, please?

MR. HANSON: My name is Donald P. Hanson. I am Vice-President of Fawcett Publications Incorporated.

Our brief, that Mr. Pitfield is going to read for me, because, as you can see, my voice is not exactly made for that kind of thing, is our submission which attempts to give a complete picture of our operations, for the benefit of the Royal Commission, including that part of the operation which has to do with Canada.

SUBMISSION BY FAWCETT PUBLICATIONS INCORPORATED

APPEARANCES:

DONALD P. HANSON Vice-President

Submission by: FAWCETT PUBLICATIONS, INC.
Greenwich, Connecticut, U.S.A.

EXHIBIT I

Royal Commission on Publications
Dominion of Canada

Gentlemen:

In response to your invitation, we respectfully submit the following information about Fawcett Publications, Inc. and its operations.

1. Fawcett publishes seven monthly magazines. These are sold virtually throughout the free world, both by subscription and on newsstands. All of them carry advertising. The net paid circulations of all of them are certified by the Audit Bureau of Circulations. Their combined circulation is in excess of 11 million copies per month, of which less than 6% or 660,000 copies are sold in Canada. Their combined gross advertising revenues in 1960 were $17,407,000, of which less than 1%, or $137,000, consisted of revenue for space sold for Canadian editions.

2. Fawcett also publishes a number of periodicals of less-than-monthly frequency. In the year 1960, these included thirty titles (of which sixteen were sold also in Canada) and 37 titles in the "Fawcett How-To" line, produced for the United States only. None of these publications are audited by A.B.C.

Their combined sale in 1960 is estimated at 9,400,000 copies, of which only 430,000 copies were sold in Canada. Some of these books contain a small amount of advertising. Their total gross revenue in 1960 comes to $290,600. No Canadian editions of these books were printed, and none of this advertising revenue consists of space sold for Canadian editions.

3. Fawcett publishes three lines of paperback books: Crest, Premier, and Gold Medal. In 1960, there were a total of 239 titles published in these three lines. The estimated 1960 sales of paperbacks are 37 million copies, of which an estimated 2,300,000 copies consist of Canadian sales.

4. Fawcett operates a distributing organization through which it distributes magazines and paperbacks to magazine wholesalers. There are more than 800 such wholesalers in the United States. There are 54 Canadian wholesalers. In addition to its own titles, Fawcett distributes Flower Grower, Modern Photography, and Dennis the Menace Comics to these wholesalers.

5. The monthly magazines published by Fawcett, together with their A.B.C. circulation averages for the first six months of 1960 and their Canadian sales during the same period, both by subscription and at newsstands, are as follows:

	Average 1st 6 months 1960 (000)		
	Total Circulation	Canada	%
Woman's Day	4,658	205	4.4
True	2,540	161	6.3
True Confessions	1,181	96	8.1
Motion Picture	1,071	75	7.0
Mechanix Illustrated	1,069	76	7.1
Cavalier	467	41	8.8
Electronics Illustrated	160	9	5.6
TOTAL	11,146	662	5.9

6. The gross advertising revenues for the calendar year 1960, as well as revenues from space sold for Canadian editions of the two magazines which accept such space, follow:

	Gross Advertising Revenue	Gross Revenue Canadian Edition	%
	(000)		
Woman's Day	$9,567	$48	.4
True	4,252	89	2.1
Mechanix Illustrated	1,693	--	--
True Confessions	999	-	--
Motion Picture	505	--	--
Cavalier	209	-	--
Electronics Illustrated	182	--	--
TOTAL	$17,407	$137	.7

7. A complete listing of the 1960 titles of the publications described in paragraph #2 follows. Those sold in Canada are indicated by asterisk. More

detailed information on these is available should the Royal Commission desire it.

Published less frequently than monthly

Baseball 1960

Baseball Yearbook 1960

Beauty Ideas

* Best Detective Cases

Boating Magazine - Summer

Boating Magazine - Spring

Boxing Yearbook 1960

* Celebrity

Fishing Yearbook

* Football Yearbook 1960

* Hair Style Ideas

How to Christmas Book

Hunting Yearbook

Lily Dache's Beauty & Glamour For You

* Lily Dache's Beauty & Glamour For You (reissue)

New Ideas for Christmas

* Pro-Football Stars

Sylvia Porter's Income Tax Guide 1960

Startling Detective

* Things to Make for Christmas

Today's Home

* Today's Home Decorating Guide

Today's Woman Christmas Ideas Book

* True's Auto Yearbook

True Police Cases

1
2
3 * True Police Yearbook
4 * True Police Yearbook
5 True Western Adventures
6 Woman's Day Best Ideas for Christmas
7 * Woman s Day Guide To Good Decorating
8 Fawcett How-To Books
9 All About Swimming Pools
10 Amateur Astronomy Handbook
11 Archery Handbook
12 Ben Hogan's Power Golf
13 Best Hot Rods
14 Candid Photography
15 Electrical Repairs You Can Make
16 Electronic Ideas
17 Electronics Guide
18 Family Boating
19 Good Photography
20 Good Photography's 35mm Handbook
21 Handbook of Home Improvements
22 Handy Man's Concrete and Masonry Handbook
23 Handyman's Home Manual
24 Hi-Fi Guide
25 Home Carpentry Handbook
26 Hot Rod Handbook
27 How to Be An Expert at Shotgun Shooting
28 How to Build It
29 How to Build 20 Boats
30 How To Use and Choose Power Tools

Landscaping & Lawn Ideas

Learn to Draw From Master Artists

Man Into Space

Outboard Boating Handbook

Photography Handbook

Plumbing and Heating Handbook

Plywood Projects for the Handy Man

Prize Winning Photography

Professional TV Repair Secrets

Projects You Can Make For Outdoor Living

Skin Diving Handbook

Stereo Hi-Fi Handbook

The First War Planes

Tom McCahill's Car Owner Handbook

8. A complete listing of the paperback books published in 1960 follows. The majority of these titles were sold in Canada. More detailed information on these is available should the Royal Commission desire it.

CREST

January

Lolita	Vladimir Nabokov
Young Love	Johannes Allen
The Steel Cocoon	Bentz Plagemann
Trial of Tears	William Forest
Devil in Dungarees	Albert Conroy
Home Medical Encyclopedia	Paul Kuhne
Mantrap	Duane Yarnell
Nine Coaches Waiting	Mary Stewart

February

Please Don't Eat the Daisies	Jean Kerr
The Bright Young Things	Amanda Vail
25 Magic Steps To Word Power	William Funk
Frenzy	James O. Causey
Stranger on Lebos	Valerie Taylor
They Sell Sex	Sara Harris
Trouble Rides Tall	Harry Whittington

March

Clotilde	Cecil St. Laurent
Please Write For Details	John D. MacDonald
The Case of the Chased and the Unchaste	Thomas E. Dewey
Million Dollar Tramp	Wm. Campbell Gault
Get Out of My Sky (edited by)	Leo Margulies
So You Think You Know Baseball	Harry Simmons
Off Limits	Hans Habe

April

The Ugly American	Wm. Lederer and Eugene Burdick
The Fugitives	Robert Gutwillig
The Drak Road	James Cross
What Are The Odds?	Leo Guild
The Authentic Death of Henry Jones	Charles Neider
Swamp Babe	Robert Faherty
Modern Manners: Etiquette for All Occasions	Carolyn Hagner Shaw

May

Carlotta McBride	Charles Gorham
Cricket Smith	Monte Linkletter
This Fiery Night	Joan Vatsek
A Dream of Falling	Mary O. Rank
How To Invest Safely and For Profit	Adolph Suehsdorf III
Mandingo (reissue)	Kyle Omstott
A Walk On The Wild Side	Nelson Algren

June

Dennis The Menace ... Teacher's Threat	Hank Ketcham
The Notion of Sin	Robert McLaughlin
The Girl With A Secret	Charlotte Armstrong
A Dram of Poison	Charlotte Armstrong
The Trumpet Unblown	William Hoffman
The Violators	Francis Irby Gwaltney
The Con Man	Dan Cushman

July

Psycho	Robert Block
The Cool World	Warren Miller
A Penknife in My Heart	Nicholas Blake
The Story of Andrea Fields -- Woman and Doctor	Elizabeth Seifert
Think and Grow Rich	Napoleon Hill
Best Cartoons From True	Editors of TRUE
According to Hoyle	Richard L. Frey.

August

A Handful of Men	Robert Wilder
Walk With Evil	Robert Wilder
Kings Will Be Tyrants	Ward Hawkins
VIP Tosses A Party	Virgil Partch & William McIntyre
The Wizard of Oz	O.Frank Baum
Of Love Forbidden	Anna Elisabeth Weirauch

September

The Marauders	Charlton Ogburn, Jr.
The Crossroads	John D. MacDonald
The Breeze From Camelot	Vina Delmar
Dennis The Menace Rides Again	Hank Ketcham
Clash Of Shadows	Howard Rigsby
Seven Ways From Sundown	Clair Huffaker
Night of Fire And Snow	Alfred Coppel

October

Poor No More	Robert C. Ruark
Warrior's Rest	Christiane Rochefort
The Pyx	John Buell
My Fight For Sanity	Judith Kruger
Concerning A Woman of Sin and other Stories of Hollywood	(edited by) Daniel Talbot
The Pink Hotel	Dorothy Erskine & Patrick Dennis

November

The Longest Day	Cornelius Ryan
Invitation To A Beheading	Vladimir Nabokov

The Lion House	Margorie Lee
If The Shoe Fits	Lee Roberts
Earthquake	Milton Berle & John Roeburt
In This Corner . . .	
Dennis The Menace	Hank Ketcham

December

Town Burning	Thomas Williams
The Affair in Arcady	James Wellard
Flaming Lance	Clair Huffaker
Little Tramp	Gil Brewer
Back Alley Jungle (edited by)	Leo Margulies
Back of Sunset	Jon Cleary
The Enjoyment Of Love In Marriage	Dr. LeMon Clark

PREMIER

January

The Red and The Black	Stendhal
Crucibles: The Story of Chemistry	Bernard Jaffe

February

The Ambassadors	Henry James
Miracle of Language	Charlton Laid

March

Teach Yourself Psychology	W. E. Sargent
Three Great Greek Plays (edited by)	Lyman Bryson

April

Much Loved Books - Volume II	
A Book About merican History	George Stimpson

May

A New Continent and A New National (Vol. I)	Paul M. Angle
The Practical Way to a Better Memory	Dr. Bruno Furst

June

Rockets Through Space	Lester Del Rey
The Way of All Flesh	Samuel Butler

July

Esther Waters	George Moore
The New Nation. . Grows - Volume II	Paul M. Angle

August

The Nation Divided - Volume III	Paul M. Angle
Mirror For Man	Clyde Kluckhohn

September

The Making of a World Power (Vol. IV)	Paul M. Angle
The Uneasy World (Vol.V)	Paul M. Angle

October

Armance	Standhal
The Story of An African Farm	Olive Schreiner
The Exploration of Space	Arthur C. Clarke

November

Maggie: A Girl of the Streets	Stephen Crane
Their Wedding Journey	William Dean Howells
The Shorter Novels of Herman Melville	

December

Far From the Madding Crowd	Thomas Hardy
McTeague	Frank Norris
The Living Thoughts of Tolstoy	Stefan Zweig

GOLD MEDAL

January

Kiss Off The Dead	Garrity
Danger Is My Line	Stephen Marlowe
Nero's Mistress	John Tessitore
Requiem For A Virgin	Lionel White
Backwoods Teaser	Gil Brewer
Buchanan's Revenge	Jonas Ward
Teen-Age Terror	Wenzell Brown
So Young, So Wicked	Jonathan Craig
This Woman	Albert Idel
Heller With A Gun	Louis L'Amour

February

Death Of A Citizen	Donald Hamilton
Slam The Big Door	John D. MacDonald
Heat Of Night	Harry Whittington
Yellowleg	A.S. Fleischman
The Extortioners	Ovid Demaris
Hot Dam	Neil MacNeil
The Damned	John D. MacDonald
Dead Low Tide	John D. MacDonald
Odd Girl Out	Ann Bannon
Double in Trouble (reissue)	Richard Prather

March

My Lovely Executioner	Peter Rabe
Death Of A Ladies' Man	Lee Roberts
World Without Women	Day Keene & Leonard Pruyn
Blood Moon	Frank Castle
Thimk (selected by)	Charles Preston
Assignment-Budapest	Edward S. Aarons
Pure Sweet Hell	Malcolm Douglas
Driven	Richard Gehman
Outcast of Murder Mesa	Kenneth Fowler
5;45 To Suburbia (resisue)	Vin Packer

April

The Girl On The Best Seller List	Vin Packer
Journey To A Woman	Ann Bannon
The Wranglers	Will Cook

Assignment-Zoraya	Edward S. Aarons
Staccato	Frank Boyd
Inquest	Milton K. Ozaki
The Beats	Seymour Krim
Murder For The Bride	John D. MacDonald
Rebel Raider	Joseph Chadwick
Lovely And Lethal	Frank Castle

May

Dance With The Dead	Richard S. Prather
Starfall	John Cunningham
The Three-Way Split	Gil Brewer
Death Is My Comrade	Stephen Marlowe
Dark December	Alfred Koppel
One For Sleep	Frank Bonham
Funny Cartoons	V.I.P.
Shanghai Incident	Stephen Becker
Ride For Texas	William Heurnan
Everybody Had A Gun (reissue)	Richard S. Prather

June

North Beach Girl	John Trianian
Sundance	Richard Telfair
Steal Big	Lionel White
13 Great Stories of Science Fiction (edited by)	Groff Conklin
Murder Me For Nickels	Peter Rabe
Too Late For Mourning	Richard Foster

South Of The Sun	Wade Miller
The Second Longest Night	Stephen Marlowe
Bodies In Bedlam (reissue)	Richard S. Prather
The Kid Was A Killer	Caryl Chessman

July

Carol, In A Thousand Cities (edited by)	Ann Aldrich
Scream Bloody Murder	Richard Telfair
College Confidential	Irving Shulman
The Enforcer	Ovid Demaris
Pieces Of The Game	Lee Gifford
McGivern	T. V. Olsen
Hell Hath No Fury	Charles Williams
Murder In The Faw	Bruno Fischer
Funny Business	Charles Preston
Case Of The Vanishing Beauty (reissue)	Richard S. Prather

August

The Only Girl In The Game	John D. MacDonald
It Started In Naples	Saul Cooper
The Murder Kick	Wenzell Brown
Peril Is My Pay	Stephen Marlowe
Lila My Lovely	Dudley Dean
High Lawless	T. V. Olsen
Mountain Girl	Cord Wainer
Hostage For A Hood	Lionel White
The Name's Buchanan	Jonas Ward
Find This Woman	Richard S. Prather

September

Sinner Take All	Wade Miller
Uncle Good's Week-End Party	John Faulkner
The Wrecking Crew	Donald Hamilton
Buchanan On The Prod	Jonas Ward
Hell To Eternity	Edward S. Aarons
Meanwhile Back At The Morgue	Mike Avallone
Seminole	Theodore Pratt
He Rode Alone	Steve Frazee
Way Of A Wanton (reissue)	Richard S. Prather
Strip For Murder (reissue)	Richard S. Prather

October

Assignment -- Mara Tirana	Edward S. Aarons
Hot Saturday	P. J. Reed-Marr
Texas Fever	Donald Hamilton
VIP's All New Bar Guide	John Armstrong & Virgil Partch
The Trouble With Love	Basil Heatter
No Chance In Hell	Nick Quarry
Run, Chico, Run	Wenzell Brown
The Tall Stranger	Louis L'Amour
Darling, It's Death (reissue)	Richard S. Prather
Always Leave 'Em Dying (reissue)	Richard S. Prather

November

The Comfortable Coffin	Richard S. Prather
The Turncoat	Hal G. Evarts

Hell Can Wait	Harry Whittington
Angel's Flight	Lou Cameron
The Star Trap	Robert Colby
Have Gat -- Will Travel	Richard S. Prather
Sabadilla	Richard Jessup
The Brass Cupcake (reissue)	John D. MacDonald
Desire In The Dust	Harry Whittington
The Wailing Frail (reissue)	Richard S. Prather

December

The Girl Between	Bruno Fischer
Till It Hurts	Nick Quarry
Rogue Moon	Algis Budrys
Connolly's Woman	Harry Whittington
The Death Ride	Neil MacNeil
The Dark Raiders	E. E. Halleran
The Neon Jungle	John D. MacDonald
Run From The Hunter	Keith Grantland
Too Many crooks (reissue)	Richard S. Prather
Three's A Shroud (reissue)	Richard S. Prather

9. Canadian subscriptions to most Fawcett publications (Woman's Day has no subscriptions) are solicited by Canadian subscription agencies. It is estimated that the 1960 profits to these agencies, on subscriptions obtained for Fawcett, exceed $650,000.

10. The average profit to Canadian wholesalers is 18.5% on the Fawcett-distributed publications which they sell. For the last full year, be-

'ginning with the November 1959 issues and ending with the October 1960 issues, these wholesalers earned a profit of $257,000. Canadian retail news dealers, whose profits averaged 20%, earned $347,000 during this one year period. Canadian supermarkets, which pay 6¢ for Woman's Day and sell it for 10¢, earned an additional $98,000. Total selling profits to Canadian interests, therefore, amounted to $702,000 during the last year.

11. The Royal Commission no doubt will have facts presented to it on similar profits on all American magazines distributed and sold in Canada. It is our estimate based on figures from the Bureau of Independent Publishers and Distributors, that the total of such profits is well in excess of $9 million.

12. The total tonnage of paper used in the production of Fawcett publications was more than 50,000 tons in 1959, and nearly 53,000 tons in 1960. While virtually all of this paper is produced in the United States, much of the wood pulp required to produce it comes from Canada.

13. Virtually all Fawcett publications are printed the Fawcett-Dearing Printing Company plant, wholly-owned by Fawcett in Louisville, Kentucky. Fawcett paperbacks are printed by the W. F. Hall Printing Company in Chicago. Most of the

Crest and Gold Medal paperbacks for Canadian distribution are printed in Canada on paper purchased in Canada, at a cost of approximately $100,000.

14. Two Fawcett publications have a Canadian Edition. Woman's Day has had such an edition since June 1959. (It also had a Canadian Edition for some years prior to the enactment of the excise tax which was repealed in June 1958.) True magazine has published a Canadian Edition since November 1958, although no Canadian Edition appears in the January 1961 issue of True, and it has not been determined whether a Canadian Edition will appear in subsequent issues of True.

15. Woman's Day does not carry special editorial content for its Canadian Edition. Woman's Day sells regional advertising in nine areas. Eight of these are United States areas, the ninth is Canada. Total Canadian Edition advertising space and its gross dollar value, has been as follows:

WOMAN'S DAY

Canadian Edition

	Canadian Advertising Space	Gross Advertising Revenue ($000)
1959		
June	1/3 page	.5
July	1 1/3	1.4
August	1/3	.5
September	1/3	.5
October	1 2/3	2.9
November	2 2/3	4.7
December	3 1/6	5.3
TOTAL	9 5/6 pages	$15.8
1960		
January	1 1/2 pages	2.1
February	2 1/3	3.9
March	2	3.0
April	4 1/3	6.5
May	1 1/6	1.7
June	1 1/2	2.5
July	1	1.3
August	1 1/2	2.1
September	2 1/6	3.5
October	1 2/3	2.3
November	3 1/6	9.0
December	1 2/3	2.7
TOTAL	24 pages	$40.6

16. Canadian Edition advertising in True, together with the number of pages of the Canadian Edition insert, has been as follows:

TRUE
Canadian Edition

	Canadian Advertising Space	Gross Advertising Revenue ($000)	Total Insert Pages
1958			
November	5 1/3 pages	6.2	8
December	8 1/3	8.7	20
TOTAL	13 2/3 pages	$14.9	28
1959			
January	2 pages	2.1	4
February	3	1.9	8
March	4	3.0	12
April	5 1/3	5.0	12
May	7 1/3	6.7	16
June	4 2/3	4.4	8
July	12	10.2	24
August	8 1/3	8.4	16
September	9 2/3	8.7	24
October	10 1/3	9.4	24
November	5 2/3	5.2	16
December	12 2/3	12.5	24
TOTAL	85 pages	$77.5	188

	Canadian Advertising Space	Gross Advertising Revenue ($000)	Total Insert Pages
1960			
January	4 5/6 pages	4.7	16
February	5 1/2	6.3	16
March	6 1/2	7.6	16
April	4 2/3	5.2	16
May	6 2/3	8.6	16
June	7 1/6	8.8	16
July	8 1/3	11.1	16
August	7	9.3	16
September	8	9.6	16
October	5 2/3	7.2	16
November	3 1/3	4.0	8
December	5 1/6	6.8	16
TOTAL	72 5/6 pages	$89.2	184

17. Magazine advertising is placed by advertising agencies who buy space in publications at a discount of 15% plus 2%, billing their clients at card rates. Fawcett publications billings to 28 Canadian advertising agencies and branch offices have been as follows:

	Billings	Gross Profit to Agencies
1959 issues	$ 86,101	$14,379
1960 issues	129,293	21,592

18. Articles which appear in the Canadian Edition of True magazine were as follows:

Title	Author
Race of the Giants	Martin Franklin
Nervy Noah of Niagara	Donovan Fitzpatrick
Mad Dash of the Voyageurs	Martin Iger
Springtime's Bruin Bonanza	Byron Dalrymple
Science Dooms the Great Lakes Vampire	Woodie Jarvis
Canada's Expendable Heroes	Sandy Sanderson
Eddie Shore: Hockey's Immortal Hooligan	Frank Graham, Jr.
The Mystery Monster of Grindstone Island	Norman Carlisle
Killer Bridge	Norman Carlisle
Good Fences Make Good Neighbors	
Canada's Crackpot Oil Baron	Joseph Millard
Death Trap in the Depths	James A. Cox
The Ten-Yard Flight Deck	Aaron Norman
The Pride of Two Nations	(picture story)
Trackdown of the Mad Trapper	Paul Brock
Firebrand Savior of St. Boniface	Murray Teigh Bloom
Who Was This Cockney Lord of the Beaver Lands And What Was His Strange Tale?	Norman Carlisle

Coppermine Journey -- Part I (from Journals of Samuel Hearne)	Farley Mowat
Coppermine Journey -- Part II	Farley Mowat
Coppermine Journey -- Part III	Farley Mowat
Canada's Canniest Duck Shooter	Scott Young
Diary of Death in the Barren Lands	Terrence Robertson
Atrocities on Ice	Andy Bathgate
Crusade of "The Beaver Chief"	Evan Hill
War Against the Williwaws	Joseph Stocker
Four-Footed Delinquent of the North	Angus Franklin MacIver
Barnum's Cape Breton Giant	Norman Carlisle
Make It Go With Guts and Glue	Elmer G. Fullerton & H. S. M. Kemp
Strange Career of the Sad Little Wild Man	J. P. Cahn
The Store That Comes to the Customers	Norman Carlisle
The Scout Who Saved the Mounties	Ray Darby
I Made Friends With Bighorns	Andy Russell
The Grocery Clerk and His Vault of Gold	J.P.Cahn
Robbery in Triplicate	Alan Hynd
The Desperate Flight of Sheriff Hyde	Norman Carlisle
Bob Edwards: Calgary's Sacred Cow Slayer	Frank Rasky

Crazy-Legs Longboat	Norman Carlisle
How to Drub A Sub	Ray Darby
The Case of the Snow-Covered Clues	Alan Hynd
The Man Who Robbed His Own Bank	Bob and Jan Young
When Canada's Cup Runneth Over	Booton Herndon
The Man Who Talked To Reindeer	Norman Carlisle
The Punch Heard Round the World	Booton Herndon
The Man Who Boozed Up the Braves	Frank Rasky
The Saga of the Touring Flour Sack	J. P. Cahn

19. While the Canadian Edition of Woman's Day has not carried special editorial content in a "Canadian Section", it has devoted a considerable amount of free advertising space to various Canadian interests, as follows:

1958

November	Page	Canadian Care
December	"	" "

1959

January	Page	Canadian Care
February	"	" "
March	"	" "
April	"	" "
May	"	" "
	"	Canadian Cancer Society
June	"	" " "
		Canadian Advertising Advisory Board (educ.)
August	"	" " "
September	"	" " "
October	"	" " "
November	"	Canadian United Fund

1960

February	Page	Canadian Advertising
March	"	Advisory Board (educ.)
		Canadian Care
April	40 lines	" "
	Page	Canadian Advertising Advisory Board (educ.)
May	"	" " "
June	"	Canadian Cancer Society
July	35 lines	Canadian Care
October	Page	Canadian Advertising Advisory Board (educ.)
November	"	" " "

True magazine devoted 2/3 page in its November 1960 issue to an advertisement for Canadian Care.

20. From time to time Fawcett Publications have carried throughout their circulation articles about Canada and what Canada offers the sportsman, the tourist and the vacationer. We respectfully submit that the impact of these articles has helped to swell Canadian revenues. Among such articles in recent years were:

TRUE

I Killed the Monarch of the Mountains (Mountain caribou hunting in British Columbia)	Grancel Fitz
Fish a Virgin River (Fishing in Superior's White River country)	Franklin M. Reck
How About A Canadian Vacation?	True Travel and Vacation Service
How About A Trophy Trip?	" "
Canada - Fishing Unlimited	" "
Sailfish of the North (Fishing in Clearwater River in northern Saskatchewan)	Ted Trueblood

WOMAN'S DAY

1958 Woman's Day Vacation Guide--Cape Breton, Canada

1959 Family Vacation Guide-- The Canadian Maritimes and Canadian Rockies

TRUE CONFESSIONS

Faith -- The Wonder Drug For the Afflicted (Shrines in Canada)

21. A partial listing of other articles which have appeared in recent years in Fawcett magazines, having to do with Canadian subjects follows:

World Series Shotgun Carnival (Canadian participation at Grand American Tournment, Vandalia, Ohio)	Lucian Cary
Fourteen Miles of Frostbite (Dog-sled Race at Ste. Agathe des Monts, Quebec)	
Death in a December Dawn (Halifax Explosion)	Farrell & Wilbur Cross
A New Look at America's Mystery Giant (Story of the Sasquatch)	Ivan T. Sanderson
The Corpse Who Stood Guard	Edmund Gilligan
Ordeal on the Killer Ice	Norman Carlisle
Manhunt For A Mountain Ghost	Sterling McLeod
Wild Irish War	Charles McCarry

Bill Barker - "Greatest Fighter Pilot Who Ever Lived"	William W. Walker
Rough Ride at Calgary (Rodeos at Calgary)	Hy Peskin
Miracle Mountie of the Gold Rush	Pierre Berton
How's Your Happiness Working? (Story of Well-Being Clinic in Montreal)	Woman's Day

22. United States magazines are read throughout the free world. They are welcomed into other countries, free of burdens of any sort, because they contribute to the vitally necessary free exchange of ideas between peoples. They are read in Canada, as they are in the United States, because people want to read them; because people get information or pleasure or useful ideas from them.

23. We respectfully submit that Fawcett publications are read by Canadians because they constitute something Canadian want and something from which they derive a benefit.

24. WOMAN'S DAY is published for women. It is a "service" magazine. It deals less in amusement and entertainment than in ideas and plans which help a housewife and mother to better understand and manage her complex role

in her family and community. Subject matter includes food (how to buy, cook, serve), decorating, child care, fashion, beauty, ome sewing, building, gardening, needlework, crafts, workshop, articles on education, religion, family relationships, community activities, and fiction.

TRUE, The Man's Magazine, deals in factual material of interest to men. It deals mainly in historical accounts, but some contemporary material appears. Subject matter includes personal adventure, exploration, science, medicine, sports, crime solution, hunting, fishing, biography, automobiles, airplanes, travel, etc.

TRUE CONFESSIONS is a woman's magazine, and publishes chiefly first-person accounts of individual experiences in life of women and some men. The publication carries a sub-head: "Your magazine for a better life," on the theory that readers will be able to find useful advice and counsel in the magazine, to aid them in solving problems. Considerable space is devoted to homemaking, including baby care, cooking, fashion, beauty care and homemaking.

MOTION PICTURE is devoted to reporting of news of motion picture production in Hollywood and abroad, and of personal happenings to the persons who appear as stars or players in motion picture productions. Some space is devoted to women's fashions, beauty care and homemaking.

MECHANIX ILLUSTRATED is a magazine concerned with reporting of developments in all fields of science, from woodworking to rocketry, including electricity, physics, mathematics, astronomy, aviation, etc. Almost 50% of the magazine is devoted to projects for the reader to build in the fields of automobiles, rocketry, model building, electronics, airplanes, home furnishings, furniture, boats, etc. Special projects are featured for use by manual training classes in secondary schools.

CAVALIER is a man's magazine, publishing both fiction and factual material of interest to men. It covers all fields of interest to men, including sports, crime detection, war experiences, biography, historical material, science, adventure, exploration, etc.

ELECTRONICS ILLUSTRATED is published to supply information and satisfy wide public interest in the overall field of electricity. An effort is made to report all significant advances and developments in the application of electricity in business and the sciences. Development and building of rockets is covered, as is the invention and perfecting of such machinery as new electric shavers, crane hoists, clocks, etc.

Complete files of these Fawcett publications are available, should the Commission require them. At this hearing we propose to submit a number of examples of specific editorial material in various fields which we believe performs a useful function, to the Canadian as well as the United States reader. The examples submitted are as follows:

THE HOME

The Wonderful Climate Machine by Donald G. Cooley	True
Spring Repairs to Your Home (staff article)	Mechanix Illustrated
Seven Ways to Cool Your Home by Lyman Gaylor	Mechanix Illustrated
How To Buy a Transistor Radio by Richard Stollmack	Electronics Illustrated
Shopping for Hi-Fi by Joseph Marshall	Electronics Illustrated
All About Loud Speakers and Enclosures (staff article)	Electronics Illustrated
Storage Walls Workshop	Woman's Day
Your First Garden by Dorothy H. Jenkins	Woman's Day
Do-It-Yourself Pine Kitchen Workshop	Woman's Day
Flower Boxes for Indoors and Out Workshop	Woman's Day

THE COMMUNITY

The Cheery Cherry Ladies by Hilda Cole Espy	Woman's Day
A Dozen Best Selling Bazaar Aprons (staff article)	Woman's Day
Community-Minded Women by Hilda Cole Espy	Woman's Day
Neighbors (staff — monthly feature)	Woman's Day
Your Neighbors (staff)	True Confessions

FAMILY RELATIONS

I'm For Free by Gwen Covey	Woman's Day
How To Prepare Your Husband for Retirement by Roul Tunley	Woman's Day
I Like Marriage by Vidal Starr Clay	Woman's Day

His Family Wouldn't Leave Us Alone Anonymous	True Confessions
Jealousy by Theodore Irwin	True Confessions
Seven Sins No Woman Can Afford by June Allyson	Motion Picture
Secrets of a Mother by Deborah Kerr	Motion Picture

CHILDREN

Is Your Child Too Well-Adjusted? by Ardis Whitman	Woman's Day
Will Your Child Be a Bored Grownup? by Ardis Whitman	Woman's Day
101 Tricks and Treats (Special summer section) (staff article)	Woman's Day
Children's Play Furniture Workshop	Woman's Day
A Gun For Your Son? by Lucian Cary	True
How To Be Good and Popular by Pat Boone	Motion Picture
The 7 Deadly Teen-Age Sins and how to handle them by Dick Clark	Motion Picture
The Terrible-Tempered Toddler by James A. Brice, M.D.	True Confessions
Cat Got His Tongue? by Alice Texter	True Confessions
A Normal Life for the Diabetic Child by James A. Brice, M.D.	True Confessions

RELIGION

Annual Calendars (1953 to 1961) (Special section) - Staff --- with help of American Bible Society	Woman's Day
Biblical Quotes from Contents Pages (1937 to 1960) - Staff	Woman's Day
The Real Reason Gary Cooper Became a Catholic by Ruth Waterbury	Motion Picture
Why I Pray by Shirley Jones	Motion Picture

Do Your Christmas Thinking Early by Dr. Robert T. Taylor American Bible Society	True Confessions
My Moment with God Mrs. R.M., Canada	True Confessions
My Moment with God Mrs. V. Loomes, Canada	True Confessions
God Has Never Let Me Down by Pat Boone	True Confessions
Faith Grows Stronger With Use by Dr. Samuel M. Shoemaker Calvary Episcopal Church	Woman's Day
Stories of Our Christmas Carols by Alice Mecredy	Woman's Day

EDUCATION

Planning A College Education (three-part article) by Dr. Charles A. Bucher Professor of Education, N.Y.U.	Woman's Day
Should Your Child Be A Scientist? by Roul Tunley	Woman's Day
Your Career in Atomic Energy by Harry Kursh	Mechanix Illustrated
Things You Didn't Know About Your Mind by O.O. Binder	Mechanix Illustrated
If You Want To Be a Fool — Quit School by Pat Boone	Motion Picture

FOOD

Collector's Cook Book (Examples from series started in 1957 - included in each monthly issue) - Kitchen Staff	Woman's Day
Money-Saving Menus (monthly feature) by Kitchen Staff	Woman's Day
Keep Cool With Tomatoes by Kitchen Staff	True Confessions
Prize-Winning Holiday Recipes by Kitchen Staff	True Confessions
Cheese — and the man with the tasting tongue by David Landman	True
Man's Meat by Richard Gehman	True

NUTRITION

Attention: Teen-Age Dieters — Woman's Day
by Jane Whitbread

1400-Calorie Diet
by Kitchen Staff — Woman's Day

Low-Calorie Recipes (Cook Book)
by Kitchen Staff — Woman's Day

Low-Fat Diet for Longer Life
by Lester M. Morrison — Woman's Day

Eat Big and Grow Thin
by Donald G. Cooley — True

What You Will Eat in 1975 — Mechanics Illustrated
by O.O. Binder

MEDICAL

What You Should Know About Your Glands
by Dr. J.W. Tintera — Woman's Day

What You Should Know About Your Glands and Alcoholism
by Dr. J.W. Tintera — Woman's Day

What Do You Know About Polio?
by Caroline Bird — Woman's Day

Ulcers
by Donald G. Cooley — True

A Cure For The Common Cold? — Mechanics Illustrated
by Bernard Seeman

What You Can Do About Breast Cancer
by W. Kenneth Clark, M.D. — True Confessions

Medical Report
by Morgan Deming — True Confessions

Exercises for Pregnancy Backache
by Morgan Deming — True Confessions

RECREATION

How To Improve Your Bowling — Mechanix Illustrated
by Buzz Fazio

How To Collect Coins
by George Laycock — Mechanix Illustrated

Great Blue River
by Ernest Hemingway — True

Ski-Tow All-Purpose Fun Boat
by Glen L.Marine Designs — True

The Magic Tricks of Catching Fish by Ted Trueblood	True
Ordeal for a Subzero Lion by Ted Trueblood	True
Stallioh with Fins by Philip Wylie	True
Food For Family Camping (Family Vacation Guide) by Catherine Hanley	Woman's Day
CRAFTS AND HOBBIES	
Ham Converter Set Staff	Electronics Illustrated
Voice Control Hour Model Trains By R. Goldring	Electronics Illustrated
Chow Cart for Backyard Barbecues by Bill Baker	True
75 Christmas Gifts To Make (an annual feature -- directions complete in issue)	Woman's Day
Collector's Craft Book (examples from series) (afghans, clay Modeling, Silver Jewelry) - Staff	Woman's Day
Build Barnaby (boats) by Hank Clark	Mechanix Illustrated
Golden Hammer Awards (for amateur craftsmen)	Mechanix Illustrated
FASHION & BEAUTY	
How To Make Bright Towels Into Beach Robes -- Staff	Woman's Day
Learn to Sew The New Way (first of series of complete sewing lessons) by Mary Johnson	Woman's Day
More Clothes For Less Money Fashion Staff	Woman's Day
Sweaters To Knit Staff	Woman's Day
How Is Your Eye-Q? by Grace A. Hufner	True Confessions

Make The Most of Your Beauty Budget by Grace A. Hufner	True Confessions
Camping Is Half The Fun (Clothing & equipment for camping) by Andrew Mills	True

BUILDING & DECORATING

"A-Frames": New Cabin Fever by C. B. Nelson	True
Beautiful Basement Staff	Mechanix Illustrated
Four Good Houses for $10,000 or Less Campbdll & Wong, Rufis Nims, Robert A. Little, B. A. Bugbee	Woman's Day
10 Wonderful Ways With Windows Staff	Woman's Day
Children's Rooms Staff	Woman's Day
How To Decorate A 3-Room Budget Apartment - Staff	Woman's Day

INFORMATIVE, EDUCATIONAL, CULTURAL

Arrogant Admiral of the Calculated Risk (Admiral Nelson) by Marvin H. Albert	True
"Old Ironsides" by C. S. Forester	True
The New Records by Delos Smith The New Books by J. K Hutchens	Woman's Day
Guide to Wildflowers (special insert) by Jean Hersey	Woman's Day
Dictionary of Furniture (special by Edith Gaines insert)	Woman's Day
What Is Christmas? by Joan Walsh Anglund	Woman's Day

SCIENCE

The Bloodless Brains That Buzz and Blink by Max Gunther	True
A Clock To Time TheEarth by Alben Philips	True
The Unsolved Ocean Gold Mine Puzzle by Wilbuf Cross	True
The Man Who Invented the 20th Century by George Scullin	True
Radio's Most Exciting Frontier by Lloyd Mallan	Electronics Illustrated
Surgery of the Future Today Staff	Electronics Illustrated
Laboratory in Outer Space by Frank Tinsley	Mechanix Illustrated
Making a Cartesian Bottle by Mike Blenstock	Mechanix Illustrated

SAFETY

Play It Safe by Robert Hertzberg	Electronics Illustrated
How To Drive and Live by Tom McCahill	Mechanix Illustrated
Life Saving Tricks Staff	Mechanix Illustrated
Is Your Home Safe For Baby? by Morgan Deming	True Confessions
In Case of Fire Staff	True Confessions
A Moral Solution of the Traffic Problem (Motorist's Prayer) by Donald Slutz & Garnet M. Griffin	Woman's Day
Aftermath of a Tragedy by Hilda Cole Espy	Woman's Day

26. All Fawcett publicatios receive letters from Canadian as well as United States readers. In the case of Woman's Day, this mail is voluminous. By its very nature, Woman's Day is the type of magazine to which readers write. Each year we receive about 500,000 communications from readers, of which approximately half are in the form of letters and postcards rather than mere orders for material offered. Pherhaps 5% of these come from Canadian readers, and they indicate an enthusiastic appreciation of the magazine. We propose to submit some examples of the most recent of these letters from Candian readers.. We will submit them in their entirety. In the interest of brevity, here are excerpts from the letter to be submitted:

Toronto, Ontario July 28, 1960

Some years ago (ten or fifteen?) you published a very attractive pattern for a quilt in Woman's Day-- each square illustrating a biblical story in applique. It it still obtainable...

Your "Woman's Day is tops -- the best 10¢ worth published anywhere.

Ontario July 22, 1960

Enjoy every bit printed in Woman's Day and have very seldom missed a copy since summer of 1949, when I found and old issue at a cottage Mr. W and myself rented at Huntsville, Ontario. I got so much pleasure, plus really smart helpful hints out of that copy, I've never forgotten it.

Fort Erie, Ontario July 22, 1960

In your August issue of Woman's Day, I was keenly interested in the Dictionary of Furniture ...

Verdun, Montreal July 26, 1960

I am much interested in obtaining a copy of Sewing the Easy Way.....I enjoy your articles very much ...they are so well explained. The styles you show are wonderful just what we housewives want, some thing smart yet practical...

Quebec July 29, 1960

The Canadian Government, through its Agency Central Mortgage and Housing Corporation, is likely to finance my building a house for my own occupancy --I submitted Woman's Day Family Study Plan, House No. 3 ...Any help you may be able to give me would be appreciated.

Toronto, Ontario August 12, 1960

Is it possible to procure copies of the Wild Flower supplement... I have been teaching children's nature groups at camp and would like extra copies if they are available. We would also use them for Girl Guide and Brownie groups...

Warsaw, Poland (Canadian Embassy) August 15, 1960

Thank you for your letter of April 7th, giving me the details of how and where to order the Sewing Centre instructions... Your magazine, which my mother sends to me, continues to be a great joy.

Newmarket, Ontario August 18, 1960

Compliments beyond measure are due your magazine for publishing the Wild Flower Guide.

Moorefield, Ontario August 20, 1960

I have just finished reading an article in September 1959 issue of Woman's Day written by you... Have found it very informative... As you may have guessed I keep all issues of Woman's Day, Some went as far back as 1949, for reference...

Asbestos, Quebec August 31, 1960

Some months ago in your magazine Woman's Day you published a wonderful Flowers Cart for lawn... As a rule I keep every copy of your magazine, that one specially because I intended to build it during the winter months... Would you be kind enough to supply me with another copy of the Flower Cart.

Airdire, Askerka September 4, 1960

This is first and foremost a letter of appreciation. I first made the acquaintance of Woman's Day in 1949, shortly after emigrating to this country from England. I decided then and have found no cause to change my mind since, that your magazine was the best value in a women's monthly to be found anywhere, at any price.

Toronto, Ontario September 7, 1960

In 1956 your magaine published an article by J.R. Saunders entitled "How To Be A Rockhound." We understand that the article was available as a separate pamphlet at about 7¢ per copy. At the present time we are compiling a list of recommended reading on mineralogy and geology for both adults and children...

Goderich, Ontario September 20, 1960

I have before me my January 1952 copy of Woman's Day Magazine which included a Special Section, starting on page 45, entitled "Rags to Riches"... I have found this book to be so helpful and have several friends who would love to have a copy...

Saint John, New Brunswick September 27, 1960

...I enclose 25¢. Would you please send me the instructions for making the shelves as contained in your current issue. Your magazine carries very interesting pages along this line and is much enjoyed at our house.

Beaurepaire, Quebec September, 1960

Enclosed is 15¢ for which please send the instruction for the build-it-yourself furniture...Love your magazine! Eagerly await each new copy--Love all all the practical ideas -- keep up the good work!

St. Catharines, Ontario October 5, 1960

May I say that I find the whole October issue just full of ideas and items of interest and that I always enjoy your magazine...

Fergus, Ontario October 11, 1960

...Thank your for your sewing lesson in Woman's Day. It is such a help for us amateurs and so easy to understand. I do hope you can help me with something terribly basic. What size pattern should I be using?...If you can find time to give me your advice I will be so grateful...

Outremont, Montreal October 14, 1960

You end your interesting articles on roses in the October 1960 Woman's Day by mentioning the rose-

I follow with interest, these ten years the articles on gardening in the Woman's Day. Thank your for your kind help.

Carlisle, Ontario October 15, 1960

...Re: Article Woman's Day, May 1957, Collector's Craft Book -- Tiles. I have been clipping and compiling a "Hobby" scrapbook from your magazine since the 1940's.

Newcastle, New Brunswick October 17th, 1960

In your October issue, on page 80, you show a Colonial House (#3 in a series). It is just the plan I've been looking for where can I obtain further information? I would like to obtain blueprints of this house ... Please do try to help me in this endeavor, I will appreciate anything you can do...

Ontario October 18, 1960

The Tops Clubs of Ontario are holding their annual Provincial Recognition Day on October 29, 1960, at St. Catharines, Ontario. In your January 1960 issue of Woman's Day you featured a very interesting and informative article "The Way To Lose Weight Forever" by Jane Whitebread. Would you be kind enough to forward us 225 copies of this article...We felt this article very good material for a leader to take home to her club for discussion.

Ontario October 20, 1960

Would it be possible to obtain one or two copies of Woman's Day that featured Guide to Wild Flowers... We found this article most helpful in teaching Nature Study to the Girl Guides in our group.

Burlington, Ontario October 27, 1960

The class of Mr. W. wish to know if we may obtain 32 of your Wild Flower Guides, which you published in September issue of Woman's Day... Thank you for your cooperation in our class project.

Newcastle, New Brunswick October 27, 1960

... I buy Woman's Day magazine every month and enjoy it very much. I especially like the pre-Christmas issue as they have so many interesting ideas for gifts.

Montreal October 28, 1960

... Please accept our congratulations on your very recent article "How an Old Type of Fallout Helps Cope with the New" (November 1960)...

Sash (no date)

When my sister came to visit me from Madison, Wisconsin, she brought me Woman's Day. She had read it on the bus...I had never seen this magazine before, and I like it so much that I am going to buy it more often...

MAIL SAMPLES RECEIVED FROM CANADIAN READERS BY FAWCETT PUBLICATIONS INC.

Dear Madam: Some years ago (ten or fifteen?) you published a very attractive pattern for a quilt in Woman's Day" -- each square illustrating a Biblical story in applique. Is it still obtainable, and if so, will you be kind enough to send me the address so that I may apply for it?

The Woman's Auxilliary of our parish church has a "Prayer-partner" -- a missionary for whom we concentrate our prayers while she labours in God's work in our far north among the Indians and Eskimos. The members of our auxilliary would delight in each making up a "square" for a quilt and then together creating the whole, so making an interesting as well as warm piece of bedding for our prayer-partner to comfort her through our long, cold, Canadian winter nights.

Your "Woman's Day" is tops -- the best ten cents worth published anywhere.

Hoping to hear from you in the near future, Yours Truly,

Gentlemen: Enjoy every bit printed in Woman's Day and have very seldom missed a copy since summer of 1949, when I found an old issue at a cottage Mr. W. and myself rented at Huntsville,

Ontario. I got so much pleasure, plus really smart helpful hints out of that copy. Have never forgotten it.

I am submitting, on separate sheets attached hereto, a couple of my original helpful, money-saving ideas, for your Neighbour Column, and hope if they are worthy of printing, that they bring pleasure and a "Help-yourself" feeling to all who try them. Yours Very Truly,

Dear Sir: In your August issue of "Woman's Day" I was keenly interested in the "Dictionary of Furniture" and note that it was written by Edith Gaines of "Antiques Magazine". As I am interested in securing a magazine on antiques, would it be possible to get this particular one that she is associated editor of. Thanking you sincerely,

Dear Mary Johnson: I am much interested in obtaining a copy of "Sewing the Easy Way". I have tried to purchase the book here in Montreal but was unsuccessful. Would it be too much trouble to send me the address of E.P. Dutton and Company Inc. and also the price of the book. I enjoy your articles very much and they are so well explained. The styles you show are wonderful, just what we housewives want; something smart

yet practical.

Thank you Miss Johnson. I appreciate the trouble and thank you for looking into this matter for me. Would the price of the book include custom duty?

Dear Sir: The Canadian Government, through its Agency "Central Mortgage and Housing Corporation", is likely to finance my building a house for my own occupancy -- I submitted "Woman's Day Family Study Plan, House No. 3." This plan may well become in due time a "standard plan" of the Canadian Government -- I must first submit a normal complete set of blueprints -- hence my reason for writing, in the hope that you may be able to inform me how to go about getting said blueprints, either from you or from the Designer George Matsumoto.

Any help you may be able to give me would be appreciated. Sincerely,

N.B. We buy regularly Woman's Day at "Dominion Stores" who operate a chain of grocery stores throughout Canada.

Dear Sirs: Is it possible to procure copies of the Wild Flower Supplement which appeared in your June issue of Woman's Day?

I have been teaching Children's nature groups at camp and would like extra copies if they are available. We would also use them for Girl Guides and Brownie Groups.

If available, what quantity would I have to take? Please advise. Yours truly,

Dear Miss Wheeler: Thank you for your letter of April 7th giving me the details of how and where to order the Sewing Centre instructions.

I am sorry that I have been so long in answering your most courteous letter, but the spring and summer have been very full, because of a new and rather sick baby. I am now writng to the address which you gave me, and I hope that the instruction sheets are still available.

Your magazine, which my mother sends to me, continues to be a great joy. Sincerely,

Dear Miss Wheeler: Compliments beyond measure are due your magazine for publishing the Wildflower Guide! My copy is already showing signs of wear, and I am wondering if extra copies are available, and if so, at what cost.

Would appreciate hearing from you. I should like three or four copies if possible, Sincerely,

Dear Mrs. Johnson: I have just finished reading an article in September 1959 issue of Woman's Day written by you. Have found it very informative and was delighted to read the note at the end stating you would be glad to help with any sewing problems. Hope the offer is still good. As you may have guessed I keep all issues of Woman's Day, some even as far aback as 1949 for reference.

This is my problem. I teach night classes in dress making and feel the need of a refresher course in tailoring. Could you direct me somewhere where I could obtain a short course or where I might purchase your book about tailoring. I believe it is called "Sewing the Easy Way". Am very anxious to hear from you and most interested in any suggestions you might offer re teaching, etc. Yours truly,

Dear Sir: Some months ago in your magazine "Woman's Day" you published a wonderful Flowers Cart for lawn.

As a rule I keep every copy of your magazine, that one specially because I intended to build it during the winter months.

A friend of mine came home and saw that, he borrowed it with the understanding that he would bring it back. He moved from Asbestos

and I never saw him.

Would you be kind enough to supply me with another copy of that flower cart.

Hoping that I am not asking for too much, I remain a great interested reader of your wonderful magazine. Yours truly,

Gentlemen: Enclosed is 15 cents for which please send the instructions for the build-it-yourself furniture in the rooms on pages 32-33. If you can send it airmail I will be glad to pay additional postage. Sincerely,

P.S. Love your magazine! Eagerly await each new copy -- love all the practical ideas -- keep up the good work!

Dear Madam: This is first and foremost a letter of appreciation. I first made the acquaintance of Woman's Day in 1949, shortly after emigrating to this country from England. I decided then, and have found no cause to change my mind since, that your magazine was the best value in a woman's monthly to be found anywhere at any price. Over the years I have enjoyed all its features, and in particular the "how-to" section. I have made good use of this section on many occasions, and plan to do a great deal more in that line when I'm a grandmother --

or at any rate when our five children require a little less of my time and energies than at present!

Until comparitively recently I've had to rely on the kindness of an aunt in Windsor, Ontario, to send me "Woman's Day" as it was unobtainable in Calgary, our nearest shopping centre. Since the opening of a Dominion Store in Calgary, however, I can purchase it myself.

From time to time we missed an issue, and a number of copies have been borrowed and not returned. I would very much like to obtain these if possible. Is there any chance that you keep back copies and that you would sell them to me?

The numbers missing are 1949 March, April, May, June, July, August, September, October.

1950, January, February, March, December.

1952, April. 1953, July, August, September, October. 1954, November. 1955, May, July, November. 1956, July, October, December. 1957, May, July, August, December. 1958, January, March, May. 1959, April, July, August, September. 1960, March, July.

I'm aware this is a very tall order and shall understand if it is not possible to fill it. If you can, let me know the

cost and I will send a cheque or money order.

With sincere thanks for all the enjoyment and information your magazine has given me.

Yours truly,

Dear Sirs: In 1956 your magazine published an article by J. R. Saunders entitled "How to be a Rockhound" we understand that the article was available as a separate pamphlet at about seven cents per copy.

We attached a 10 cent coin and would appreciate it if you would forward a copy of the above.

At the present time we are compiling a list of recommended reading on mineralogy and geology for both adults and children. Have you sufficient stock for this title to be included in our list? Also, do you have any other titles on these subjects which we might consider for inclusion. Price is not important if the material is good.

As our list should go to press within a few days, we shall appreciate hearing from you by return mail.

You may be interested to know that our lists are distributed in both United States and Canada as we receive hundreds of enquiries each year from all over North America. Yours very truly,

Dear Madam: I have before me my January 1952 copy of Woman's Day Magazine, which included a special section starting on Page 45 entitled "Rags to Riches".

It contained dozens of ideas on how to make new things out of old.

Could I possibly get several copies of this book or is there any possibility of a similar issue coming out in the near future?

I have found this book to be so helpful and have several friends who would love to have a copy. Hoping to hear from you, Sincerely,

Gentlemen: I enclose 25 cents. Would you please send me the instructions for making the shelves as contained in your current issue.

I would appreciate your advising me if it was in your magazine -- about March or April of this year -- that there was a feature article about chests of drawers with instructions for various finishes, and if so, how I could obtain a copy of that back issue. I have lost mine.

Yours very truly,

P.S. Your magazine carries very interesting pages along this line and is much enjoyed at our house.

Gentlemen: I have just finished reading a most interesting little article in the October issue of your magazine.

In this article (page 108) written by George P. Winship, Jr. he mentions "An imported handbook of Japanese paper-folding, or Origami". Is it possible to find out the full title of this book, its publisher etc.

May I say that I find the whole October issue just full of ideas and items of interest and that I always enjoy your magazine. Yours very truly,

Dear Mrs. Johnson: Thank you for your sewing lesson in Woman's Day. It is such a help for us amateurs and so easy to understand.

I do hope you can help me with something terribly basic: What size pattern should I be using? I am so discouraged; If I cut a 12 it is too small through shoulders and bust; if 14 too large down below. Am I a half size? Following are my troublesome measurements:

bust.....33 1/2

waist.....27

hips.....36

back length, neck base to waist 15

back length of skirt 25 1/2

My height is 5' 1" and weight is 110 lbs.

I keep trying to diet a few of the inches off (attempt exercise, too), but do so spasmodically so I may as well resign myself and begin to sew for the status quo.

If you can find time to give your advice I will be so greatful. Thank you, yours very truly,

Dear Madam: You end your interesting article in the October Woman's Day by mentioning the Rose Gardens over the UN garage. Could you go a step further and investigate and give home-growing varieties. My apartment, fourth floor, is turned easternward and I'd desperately like to succeed and grow rose bushes indoors -- all my efforts to date have failed. My mother grew up in Moscow, Russia and in their home grandmother had every winter roses on the bush, a very dark red variety that bloomed through till Easter. I'd give much to have this miracle too. The four or five efforts we made had all ended by the stems going black and dying off. The Montreal Botanic Gardens have not been helpful but I'm sure there must be ways gardeners can bring about beautiful healthy bushes in heated apartments. Would you try and investigate this and beg the people who know into giving us the needed instructions. I follow with interest, these ten years, the articles on

gardening in the Woman's Day. Thank you for any kind of help. Yours sincerely,

Dear Sir: Re Article Woman's Day May 1957 Collectors Craft Book - Tiles.

I have been clipping and compiling a hobby scrapbook from your magazine since the 1940's. This past week I came across the above mentioned article and began to draw the patterns to begin painting. I have a supply of tiles, brushes, etc., and now find it impossible to obtain low-fire liquid glazes which is very disappointing.

We are ten miles from Hamilton (city of a quarter million) and forty miles from Toronto. Would you possibly be able to put me in touch with a supplier in this district or could I get them from you?

I just noticed the article says "Second in a series" and I wondered whether the other articles would give me further information on this work. If so, would you let me know if I could get a copy of the old issues?

Your help would be a great kindness to me and I will appreciate anything you can do. Sincerely,

Dear Sir: In your October issue -- on Page 80 -- you show a colonial house (number 3 in a series). It is just the plan I've been looking for. Where can I obtain further information? I would like to obtain blueprints of this house. I notice the builder is Robert K. Scarborough. Will you please write me where and how I can get plans and additional information on this house? Please do try to help me in this endeavour. I will appreciate anything you can do. Sincerely,

Dear Editor: The Tops Clubs of Ontario are holding their annual Provincial Recognition Day on October 29, 1960, at St. Catherines, Ontario. Enclosed you will find a folder explaining this organization.

In your January 1960 issue of Woman's Day you featured a very interesting and informative article "The Way to Lose Weight Forever" by Jane Whitebread.

Would you be kind enough to forward us 225 copies of this article. We realize this is asking a lot of you but Tops is a non-profit organization, with its main pupose to help the overweight. Not everyone is able to get your magazine, and we felt this article very good material for a leader to take home to her club

for discussion.

We could have this article mimeographed but the drawings are worth as much as the story.

Yours truly,

Dear Sir or Madam: Would it be possible to obtain one or two copies of Woman's Day that featured Guide to Wildflowers, text by Jean Hersey, and illustrated by Fritz Kredel.

We have found this article most helpful in teaching nature study to the Girl Guides in our group. Sincerely yours,

Dear Miss Savage: I buy Woman's Day magazine every month and enjoy it very much. I especially like the pre-Christmas issues as they have so many interesting ideas for gifts.

This year I would like to make the Fluffy Knitted Cardigan on page 35 and the Sacque Bonnet and Booties on page 39.

As I live in Canada it isn't possible to buy the kinds of wool listed. Could you possibly tell me what wool I could use that is obtainable in Canada or if I can somehow purchase the material called for?

I would appreciate any help you could give me. Thank you, Yours truly,

Dear Sirs: The class of Mr. Whitley, Grade 7 W.E. Breckon School Burlington, Ontario, Canada wish to know if we may obtain 31 of your Wildflower guides, which you published in September 1960 Woman's Day Magazine.

Thanking you for your co-operation in our class project. Yours truly,

Gentlemen: Please accept our congradulations on your very recent article "How an Old Type of Fallout Helps Cope with the New" (Nov. 1960.)

A group of Montreal citizens, using the name The Baby Tooth Survey, has recently organized to do similar work to that being done in St. Louis. The Montreal group is particularly anxious to obtain a large number of reprint copies of your timely article.

Kindly forward the necessary information pertaining to availability, numbers available, price, etc. to Mrs. R. Katz at the above address. Your early attention to this matter will be greatly appreciated. Very sincerely,

Dear Madam: When my sister came to visit me from Madison, Wisconsin, she brought me Woman's Day. She had read on the bus. I had never seen this magazine before, and I liked it so much that I am going to buy it more often.

COMMISSIONER JOHNSTON: I only have one or two questions, Mr. Hanson.

What is Woman's Day? What is the relationship with the supermarkets?

MR. HANSON: Only that the supermarkets display it and sell it to their customers, there is no other relationship. Woman's Day at one time was a wholly owned subsidiary of A. & P., but it is now owned by Fawcett, and there is no connection whatever between A & P or any other supermarket and Woman's Day.

COMMISSIONER JOHNSTON: It is distributed exclusively through the supermarkets or some other similar store?

MR. HANSON: Yes.

COMMISSIONER JOHNSTON: Some of the others are either bought in bulk from the publishers or are owned by the retailers. Is that not so? I think each of the large food retailers has some sort of magazine exclusive to them.

MR. HANSON: There are only two of any consequence that are in existence today; that is, Woman's Day and Family Circle. Both are independently owned but they are distributed by various chains.

COMMISSIONER JOHNSTON: In a community would a chain store have the exclusive right to Woman's Day? It is not tied in to their

business at all?

MR. HANSON: No, it is not.

It is in the same position as any other magazine?

COMMISSIONER JOHNSTON: In the States some stores sell both; some sell Family Circle and some sell Woman's Day. In Canada I do not think that is true.

COMMISSIONER JOHNSTON: You do not know the name of the publication sold by Loblaws for example?

MR. HANSON: Family Circle.

THE CHAIRMAN: Does it give them a monopoly? Are they the exclusive agents?

MR. HANSON: They would be very happy to get additional distribution, but I cannot answer that factually.

COMMISSIONER JOHNSTON: You seem to be in doubt as to whether True should continue to have, or should again have, a Canadian edition.

MR. HANSON: That is based on the fact that there has not been sufficient advertising volume in the Canadian edition of True in recent months to warrant the expenditure so that since there was no demand for this by advertisers it is at present pending . We may consider instituting it again or we may not do so.

THE CHAIRMAN: The advertising would be the main reason, then, for the Canadian edition?

MR. HANSON: Yes, I would say so.

COMMISSIONER JOHNSTON: Your Paragraph 17 says:

"Magazine advertising is placed by advertising agencies who buy space in publications at a discount of 15 per cent plus 2 per cent, billing their clients at card rates. Fawcett Publications billings to 28 Canadian advertising agencies and branch offices have been as follows:"

and you give the figures. It seems to me to be an original way of expressing it. Do you not sell the agencies rather than the agencies coming and buying?

MR. HANSON: We sell both to the agencies and the clients, but by tradition the client pays the card rate and the agency pays 15 per cent discount.

COMMISSIONER JOHNSTON: From the way in which this reads you would think the agency was clamouring to sell space.

MR. HANSON: Might I add, Mr. Johnston, that our efforts have been to put down for the benefit of the Commission as much information as possible. I would not have included this

paragraph on the basis that this is any vast amount. You follow me? I am simply giving you information whether it is good or bad.

COMMISSIONER JOHNSTON: You sell the space; the agencies do not buy?

MR. HANSON: We sell the space.

THE CHAIRMAN: Do you carry on much circulation promotion in Canada?

MR. HANSON: No, very little.

COMMISSIONER JOHNSTON: How long have you had this circulation for Woman's Day? Is this a recent growth?

MR. HANSON: Woman's Day was circulated first in Canada when the tariff was removed sometime after the war. The other magazines, I believe, have had what we would consider normal circulation based on normal demand for many years.

COMMISSIONER JOHNSTON: You say "after the war". Are you alluding to the tax?

MR. HANSON: No, I am not. I do not remember the details. Woman's Day was founded in 1937 and at that time it was not possible to ship into Canada without paying duty. Its price at that time was 2 cents and it was economically unfeasible for us to send it to Canada, although there was a good deal of demand expressed for it. Some time after the

war that tariff was removed, at which time we sent Woman's Day into Canada and found a very warm welcome for it from Canadian readers.

THE CHAIRMAN: Mr. Hanson, I notice in your magazine True that the character of the advertising seems to run largely to liquids. Is that not true?

MR. HANSON: I think that is true, yes. It is possible that one of the reasons the advertising has diminished is because of the regulations under which the liquid manufacturers, shall we say, currently operate on their advertising.

THE CHAIRMAN: If at a future date you get sufficient advertising, liquid or otherwise, you will renew your Canadian edition?

MR. HANSON: We would normally consider doing that, yes.

COMMISSIONER BEAUBIEN: On page 4, paragraph 6, you list a number of your publications and give the gross advertising revenue and the gross revenue for the Canadian edition. For some, such as Mechanix Illustrated, you have no Canadian edition.

MR. HANSON: That is right.

COMMISSIONER BEAUBIEN: Would you capitalize on the fact that some of your advertisers would be marketing some of their

products in Canada?

MR. HANSON: We would not capitalize on that specifically, but the Audit Bureau of Circulation, when it counts the circulation of any magazine, gives the average of "X", whatever it might be, which includes the circulation not only in the United States but throughout the world, and the large part of the restoof it is in Canada. The magazine sells advertising and guarantees a certain rate base, a certain average circulatinn. The Canadian reader or the reader in India is included in that base and presumably the advertiser is buying the right to reach him or her as well as the American reader.

COMMISSIONER BEAUBIEN: So your tariff would be greater in view of the fact that you have a circulation in Canada?

MR. HANSON: I think that is true, yes, but is not a thing that American magazines would proclaim, probably, to their advertising prospects. The manufacturer whose product is not obtainable in Canada pays the same rate and has that much less useful circulation.

COMMISSIONER JOHNSTON: Some brands of liquor will come into it?

MR. HANSON Yes.

COMMISSIONER BEAUBIEN: This will be good for the motor car manufacturers, for instance?

MR. HANSON: I would say yes.

THE CHAIRMAN: For your mail subscribers in Canada do you mail your magazines from the United States or do you bring them over and mail them in Canada?

MR. HANSON: They are mailed from the United States.

THE CHAIRMAN: All of them?

MR. HANSON: Yes.

THE CHAIRMAN: What percentage of the total circulation would that be? We have some information upon it here.

MR. HANSON: I do not think you have a breakdown on that.

THE CHAIRMAN: No, but we have some information.

MR. HANSON: I would guess it is 30 or 25 per cent.

COMMISSIONER BEAUBIEN: Paragraph 22, Page 23: "United States magazines are read throughout the free world. They are welcomed into other countries, free of burdens of any sort, because they contribute to the vitally necessary free exchange of ideas between peoples." Do you have a large circulation outside of North America?

MR. HANSON: Yes, we have. The Woman's Day, has perhaps 30,000 outside of America. On the other magazines, we probably have a similar amount. The ABC statement will show that. I do not have the figure.

COMMISSIONER BEAUBIEN: You do not attempt to make any translation?

MR. HANSON: No, we do not.

THE CHAIRMAN: Mr. Hanson, I understand you have a number of exhibits with you you would like to file with us .

MR. HANSON: Yes, I would. If I might explain, the first 21 paragraphs of the submission that we have made, and I would like to point out it is not a brief, but a submission, and it is statistical and factual material to aid the Commission in its tremendous job.

From Paragraph 22 we are dealing with a different aspect of the magazine business.

You have before you the problem of the magizine which, while it is mixed up with the printing and paper, and shipping and numbers, and dollars and tonnage, actually is essentially a flow of ideas. We cannot separate the two, but the relationship between a magazine and its reader is a very personal one, I believe. It is almost like the relationship between a reader and another human being. A magazine can let him down by being dull. A magazine can let him down by being undependable. A magazine can let him or her consider her something of a friend because it carries ideas. It has nothing to do with four colour printing or the size of the book, or the amount of the tonnage.

It is a tremendously difficult thing because, I understand, it is part of your very serious investigation to determine what ideas are circulated -- some people say dumped -- into Canada by the circulation of American magazines.

Of course, our books will speak for themselves. If the Commission proposes to study them and proposes to analyse them, well and good. If not, I have, under the headings in Paragraph 25 -- under the heading The Home, The Community, Family Relations, Children, Religion, Education, Food, Nutrition, Medical, Recreation, Crafts and Hobbies, Fashion and Beauty, Building and

Decorating, Informative, Education, Cultural, Science, and Safety -- all these are arbitrary headings which developed because I asked all our editors of our various books to give examples from their recent issues of the kind of thing that they are proud of doing, and the kind of thing they felt to be useful or beneficial or of good effect to the readers they are trying to reach.

If I may take time, I could go through these very briefly so you could have a look again at the physical form of the ideas.

This gadget was invented by the American advertising man to impress clients. I use it for convenience.

I brought charts with me in case there was discussion.

These represent the articles in the submission. Under the heading of the Home the articles that were listed in the submission are pasted here. I hope to state my position and my belief to the Commission that the popularly reported idea of mass influencing minds is not what it is cracked up to be. In the final analysis a magazine reaches its readers or does not reach its readers becuase of what the editors of the magazine are able to do. If an editor over a long period of time acts from some

mysterious direction or if an editor is not sincere and does not believe what he is doing people eventually smell that out. We make a very strong effort to get people as editors who believe in the importance of what they are doing.

These are examples of what they have done.

For example in Woman's Day, we have emphasised constantly that while it would be wonderful to be very rich and call up a contractor to work on your house and do this and do that and the other thing, there are things you can do yourself if you know how. We operate a workshop in which we develop these things. It is the floor of a building in which we employ people who create ideas for making things and repairing things, and then report on them in the magazine.

On the "Do it Yourself "Pine Kitchen", for example, we gave instructions in the magazine, but we received an additional 5400 letters from people asking for more information which we had specified was available.

On "Storage Walls, here is furniture you can make, designed for you by Woman's Day Workshop, which will help provide new, practical and decorative storage for your home", instructions were given, and 19,000 people wrote for more details.

I could spend hours going through these.

Under the heading of "Community" here is an article on the voluntary workers in a hospital. The article impressed our editors and our editors felt that people in other communities would be impressed, and that the experience of organizing this group might, in other communities, help people organize similar groups.

Here is another article on "A dozen best-selling bazaar aprons". This was designed entirely because Churches, in order to raise money, have these affairs. There is great demand for this kind of thing. We consider it to be valuable.

Here is an article, "The P.T.A. discovers Art", a Parent Teachers Association which ran an art show which made $3,000 which was absolutely unbelievable. Since then we have had a great deal of interest in this kind of thing.

Here is an article about a small town, which I believe had a population of 3500, which got together and built a church out of practically nothing, and the manner in which they did it.

In Family Relations, we have articles: "How to prepare your husband for retirement", "I like marriage", "I am free", which is the reverse of the customary thing you read so often that the

wife is not paid for services which her husband would have to pay for at the cost of $10,000 a year.

COMMISSIONER JOHNSTON: Have you a workshop on Family Relations?

MR. HANSON: Not an official one, shall we say.

Children -- we do a great deal of work on children. In July of this year we published a 16 page section called "101 tricks and treats", the intention of which, was that the July issue comes out at the end of June when the children come home from school and mothers become desperate. There were a million things that a kid could do, could do together, could do singly, could do outside, things he could make, things to do on a rainy day and so forth.

This was a tremendous success. The Herald Tribune took all our over-run to send to the Fresh Air Fund. We have received requests for this from camp counsellors, from Scout directors and so forth. One of the New York publishers has asked us to extend this into a book. This is the kind of thing that makes an editor go.

THE CHAIRMAN: You are giving ideas to Mr. Chalmers over there.

MR. HANSON: The next heading is Religion. When Woman's Day was started in October, 1937 in

our first issue we ran a Biblical quote in the masthead. We got an instant and immediate response, and in every issue since then, which is probably 280 issues, whatever 12 times that number of years is, we have continued those and we get a constant appreciation of them.

Eight years ago, in January of 1953, we conceived the idea of creating Biblical calendars. They run in a four page section of the magazine. I have the 1961 calendar with me. It can be cut out and formed into a calendar. It stands up and flips over. This has been a sensational success. We get a flood of mail on this kind of thing.

I submit to you that it is good for people whether they are Canadians, whether they are Americans, or whatever they are.

The next one is "Education". We ran articles on your career in the scientific field. We ran a series of three articles in Woman's Day, written by Professor Charles A. Bucher, a professor at the New York University. These are reprints of the articles. The first article was on the elementary school years, the second one on the junior high school years and the third one on the senior high school years. The object of all three was to demonstrate to parents what they could best do to prepare their

children so they would be interested in college and get the most out of it. The National Education Association gave us what they call the School Bell Award for this. We are the only magazine that received this award as a contribution to the cause of education.

Under the heading of "Food", I think I need say very little except that our emphasis has always been and continues to be daily money saving menues such as "31 Money Saving Menues for May". We have a staff of six or seven home economists who study the crops and who study and project the possible future food prices. They work out menues which are as good as possible, but which are the best buy that people can make for feeding their families.

Collector's Cook Book -- this was run off some two and a half years ago in Woman's Day. We received so many thousands of articles for back copies of this that E. P. Dutton has just published a cook book in which they are all reprinted. This is a copy of it.

"Nutrition": again, we make an effort to have people understand what food does for them. We make an effort to help people -- if they are going to diet, diet wisely. We feel very responsible for them.

"Medicine": Here is an article "What do you know about Polio?", which the United States Health Service asked us to run. I think it was a year ago, March. We had to rip the issue apart in order to get it in, because they wanted to inform as many people as possible. We are a magazine that they ask and they tell us they ask us because they felt that our contact with women was a close one and one that would make this information very effective.

"What you should know about your glands": When we ran that article, a poor unsuspecting doctor, within hours after it appeared on the stands, had his telephone swamped. He is still having it reprinted. This was two years ago when this ran, but he is still writing letters to people. He has had telephone calls from

Texsas. He has had people bring their wives in wheel chairs to see if he could do something for them, and so forth, and, as a matter of fact, he has been able to do a great deal.

"What you should know about your glands and alcoholism"...

THE CHAIRMAN: This is a little outside of our Terms of Reference here.

MR. HANSON: "Crafts and Hobbies": We do a tremendous amount of work on this because we do have a workshop. Every year, in November, we run a section like this on "75 Christmas Gifts to make". You can make dolls. You can knit. You can embroider. You can make them out of woodwork. You can make them on a sewing machine. Each November, this issue is a sellout. There are none left, because this is a very popular thing.

Mechanix Illustrated has for seven years now offered what they call the Golden Hammer Award, which is a regular hammer which has been gold-plated, and with it goes a Work-bench Award and any reader is eligible for it by submitting photographs and plans and descriptions of something that he has built, and some 600 of these have been awarded in that time, plus an additional 2400 of a smaller runner-up prize. Incidentally, here is one that was won by a man from Calgary,

Alberta. Here is one that was won by John Mathews of Woodbridge, Ontario. Here is one that was won by Mr. R. Roy in Montreal.

COMMISSIONER JOHNSTON: Are the hammers made in Canada?

MR. HANSON: They are made by Stanley. I cannot tell you whether they are made in Canada.

"Fashion and Beauty": again, the emphasis has always been on "How do you do it for less money? How can you be smart about this?" We discovered, some three years ago, a woman by the name of Mary Johnson, who had some sensational sewing classes in around Westport, Connecticut. The people that went to her said "She has completely revolutionary, new ideas on how to make a dress." This interests us. We got in touch with her to see whether we could translate those ideas to paper and ink and we were very successful. We have now run 13 of them. We get a tremendous flood of mail. She is in great demand. She travels all over and goes to department stores and gives showings and, nearly each time, we run not only the instructions, but the styles that can be made this way. We emphasized for some time how to make bright towels into beach robes.

The emphasis has been on "Four good

Houses for $10,000 or less" always, and what is the best thing that you can do, because a realistic view of any mass magazine audience will reveal at once that any other approach is wishful thinking, because the majority of readers cannot afford to ...

THE CHAIRMAN: Mr. Hanson, you are now arguing yourself into great trouble. What you are showing us there is really an inducement for Canadians to buy all these things in the United States.

MR. HANSON: "Informative, Educational and Cultural" here looks like a poor title, but this year we ran a dictionary of furniture which I had very grave doubts about, because this was the only time this has been done. It shows the reader at a glance what is Georgian, what is Pilgrim, and what is William & Mary, and so forth. We are seeking out a few of the readers who are antique enthusiasts. But, I found, to my amazement, that practically everybody has an old chair in the attic that came from their grandmother and they are delighted to know what it is. This thing has been, I think, a contribution to knowledge.

The Woman's Day "Guide to Wildflowers" was also a very successful thing. It is a 16-page

pull-out insert which we ran in the June issue this year which is very easily recognizable. These drawings that are made up, there is gardening and all the whites are here, all the pinks are here and the yellows, descriptive flowers, and it is a very ingenious and useful and neat book.

"Science": of course, several of our magazines being in that field do a great deal, but our objective is to inform as much as possible.

"Safety": Woman's Day has received the National Safety Award six times, the National Safety Council Award, which is more than any other women's magazine has received it. We have received it because we have done a very great deal of hard work in an effort to cut down the death and maiming from bad driving, and other safety factors. One example I may spend a minute one is this one. This little oval here is a sticker we have printed. It is called "A motorist's prayer". We came across it. It had been used some place and it was anonymous. We did not know who wrote it. We wrote a story about this called "The Moral Solution to the Traffic Accident Problem". The point was that a person had put this sticker inside his own car to constantly remind him. It is a prayer: "Oh, God, give me a firm hand and a sharp eye so that I will not injure any person while driving. Thou hast given life

and I pray that none of my actions will take away or spoil the gift which comes from thee. Grant that I may refrain from the kind of indulgence that would impair my skill and, thus, endanger the life and safety of my fellow man. Guide my automobile for the protection of others and may I not miss because of the love of speed and power of the world which Thou has created. May I always drive courteously, safely and with a full sense of the responsibility which lies in my hands. Amen." We got thousands of requests for this thing and we are still getting requests for it from people who want this.

Now, I also state in paragraph 26 of our summation that we would like to submit some samples from the mail we have received from Canadian readers. I have the samples here, the originals, which I will be very glad to turn over to the Commission in many blow-ups.

I have the originals of the samples here. I would be very glad to turn them over to the Commission. I have felt that we do not have the right to invade the privacy of the people who wrote to us so, in making the blow-ups, we have blocked out the street address and the signatures. I would be glad of the indulgence of the Commission to read some of these because the sum total of them will give you an indication of how people feel about us.

There is a letter from a Toronto reader saying:

"Dear Madam:

Some years ago (ten or fifteen) you published a very attractive pattern for a quilt in Woman's Day" --

THE CHAIRMAN: I think these are contained in your submission, are they not? We will take them as read. We accept them.

MR. HANSON: Will you accept the originals?

THE CHAIRMAN: Yes, we do not need to have them read.

MR. HANSON: My object in submitting these to you is, in a sense, to say that this is a sample of the feeling of Canadian people about our publications.

THE CHAIRMAN: Mr. Johnston would like to ask you a couple of questions.

COMMISSIONER JOHNSTON: I am curious about the method of distribution of Woman's Day. Has it a subscription list?

MR. HANSON: No.

COMMISSIONER JOHNSTON: It all goes to newsstands?

MR. HANSON: Yes. We have only single copy sales.

COMMISSIONER JOHNSTON: I notice you made some allusions to the fact that you buy Canadian pulp or, rather, that it comes to you in the form of paper. Have you had anybody try to sell to you Canadian paper for the production of your publications?

MR. HANSON: Not as far as I know. I do not know.

COMMISSIONER JOHNSTON: That is not your department?

MR. HANSON: It is not my department. That would be handled by our production director. I do believe that there is a tariff on Canadian paper of that grade. Is that correct?

COMMISSIONER JOHNSTON: Yes. I may say this to you. The paper that goes to the United States free of duty is entirely newsprint.

MR. HANSON: Yes.

COMMISSIONER JOHNSTON: There has been a provision in the last two or three years in the

United States Customs law that paper used in the United States publications for shipment to Canada is duty free, or rather there is a drawback on the duty. But Canada is in the position of shipping a lot of pulpwood across the border and the paper is subject to a high rate of duty, I think it is 37½%. Then we take a good deal of that pulpwood back free of duty in the form of magazine advertising.

Your total circulation of 660,000 copies a month should attract the attention of the Canadian paper people. They have sales departments too, I think. I wonder if, when you go back, you would discuss this matter with the people (or the organization) responsible for the purchase of paper and see if you could not help us out to some extent on our exports.

MR. HANSON: I certainly will. It may be that they are in contact on this now, but I will certainly investigate it.

To the extent that the American magazine is shipped back to Canada -- in other words, if the magazine had five per cent in Canada it could buy five per cent free of its duty. Is that correct?

COMMISSIONER JOHNSTON: You would have to pay the duty and then eventually you would get

it back. Some magazines already do that as a result of sales effort from the Canadian side.

THE CHAIRMAN: Thank you very much, Mr. Hanson, for coming up here, for your co-operation and for your splendid exposition.

Before adjourning we would thank all the participants for coming here and helping us. We are thanking you not only for your co-operation but also for your forbearance.

We will be returning to Ottawa for further hearings in time to wish you a Merry Christmas.

MR. QUINN: I would like to have the submission of the Fawcett Publications entered as Exhibit 0-37-60, and any further material they wish to give to us as Exhibit 0-38-60.

---EXHIBIT NO. 0-37-60: Submission of Fawcett Publications, Inc.

---EXHIBIT NO. 0-38-60: Letters from readers to Fawcett Publications Inc.

---The hearing was adjourned until 10:30 a.m. on Monday the 20th of November, at the University of British Columbia.

ROYAL COMMISSION ON

Publications

HEARINGS

HELD AT

VANCOUVER

VOLUME No.: 6

DATE: NOV 21 1960

OFFICIAL REPORTERS
ANGUS, STONEHOUSE & CO. LTD.
372 BAY STREET
TORONTO
EM. 4-7383 EM. 4-5865

E R R A T A

VOL. 6, Page 37, Line 7		Delete "would" Insert "would not"
Page 78, Line 9		Delete "Ecroyed" Insert "Ecroyd"
	Line 23	Delete "seven and a half cents" Insert "seventy-eight cents"
VOL. 7, Page 94, Line 24		Delete "lb" Insert "column"
	Line 25	Delete "lb" Insert "column"
VOL. 8, Page 8, Line 3		Delete "Scandanavia" Insert "Scandinavia"

ANGUS, STONEHOUSE & CO. LTD.
TORONTO, ONTARIO

ROYAL COMMISSION ON PUBLICATIONS

Proceedings of hearings held at the University of British Columbia, in the City of Vancouver, British Columbia, on the 21st day of November, 1960 et seq. at 10:30 a.m.

COMMISSION:

M. GRATTAN O'LEARY	Chairman
J. GEORGE JOHNSTON	Member
CLAUDE P. BEAUBIEN	Member

P. MICHAEL PITFIELD	Secretary
G.H. QUINN	Administrative Officer

I N D E X

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--- On commencing at 10:30 a.m.

MR. PITFIELD: The following is the text of a Commission appointing Mr. Grattan O'Leary, Esquire, John George Johnston, Esquire, and Claude P. Beaubien, Esquire, to be Commissioners under Part I of the Inquiries Act to inquire into and report upon the recent and present position of and prospects for Canadian magazines and other periodicals. Mr. M. Grattan O'Leary to be Chairman of the said Commissioners.

Dated 27th September, 1960.

Recorded 30th September, 1960.

Film 98 - Document 163.

Signed by F. Weatherhead
for Registrar General of Canada.
Reference No. 163102.

"ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories QUEEN, Head of the Commonwealth, Defender of the Faith.

TO ALL TO WHOM THESE Presents shall come or whom the same may in anywise concern,

GREETING:

WHEREAS pursuant to the provisions of Part I of the Inquiries Act, Chapter 154 of the Revised Statutes of Canada, 1952, His Excellency the Governor in Council, by Order P.C. 1960-1270

of the sixteenth day of September, in the year of Our Lord one thousand nine hundred and sixty, a copy of which is hereto annexed, has authorized the appointment of Our Commissioners therein and hereinafter named to -

(a) Inquire into and report upon the recent and present position of and prospects for Canadian magazines and other periodicals with special but not exclusive consideration being given to problems arising from competition with similar publications which are largely or entirely edited outside of Canada or are largely or entirely foreign in content; and

(b) Make recommendations to the Government as to possible measures which, while consistent with the maintenance of the freedom of the press, would contribute to the further development of a Canadian identity through a genuinely Canadian press,

and has conferred certain rights, powers and privileges upon Our said Commissioners as will by reference to the said Order more fully appear.

NOW KNOW YE that, by and with the advice of Our Privy Council for Canada, we do by these Presents

nominate, constitute and appoint M. Grattan O'Leary, Esquire, of the City of Ottawa, in the Province of Ontario; John George Johnston, Esquire, of the City of Toronto, in the Province of Ontario; and Claude P. Beaubien, Esquire, of the City of Montreal, in the Province of Quebec, to be Our Commissioners to conduct such inquiry.

TO HAVE, hold, exercise and enjoy the said office, place and trust unto the said M. Grattan O'Leary, John George Johnston and Claude P. Beaubien, together with the rights, powers, privileges and emoluments unto the said office, place and trust of right and by law appertaining during Our Pleasure.

AND WE DO hereby authorize Our said Commissioners to exercise all the powers conferred upon them by section 11 of the Inquiries Act and be assisted to the fullest extent by government departments and agencies.

AND WE DO hereby authorize Our said Commissioners to adopt such procedure and methods as they may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and at such places in Canada as they may decide from time to time.

AND WE DO hereby authorize Our said Commissioners to engage the services of such counsel, staff and technical advisers as they may require at rates of remuneration and reimbursement to be approved by the Treasury Board.

AND WE DO hereby require and direct Our said Commissioners to report their findings to Our Governor in Council with all reasonable despatch and file with the Dominion Archivist the papers and records of the Commission as soon as reasonably may be after the conclusion of the inquiry.

AND WE further appoint M. Grattan O'Leary, Esquire, to be Chairman of Our said Commissioners.

IN TESTIMONY WHEREOF we have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed.

WITNESS:

The Honourable Patrick Kerwin, Chief Justice of Canada and Deputy of Our Trusty and Well-beloved Major-General George Philias Vanier, Companion of Our Distinguished Service Order upon whom we have conferred our Military Cross and Our Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

AT OTTAWA, this twenty-seventh day of September in the year of Our Lord one thousand nine hundred and sixty and in the ninth year of Our Reign.

BY COMMAND,

Signed by C. Stein

UNDER SECRETARY OF STATE.

The following is an excerpt from Minute No. P.C. 1960-1352 dated Saturday, the 1st day of October, 1960:

"His Excellency the Governor General in Council, on the recommendation of the Prime Minister, is pleased hereby to appoint Michael Pitfield, Esquire, of the City of Montreal, Province of Quebec, to be Secretary of the Commission appointed pursuant to Order in Council P.C. 1960-1270 of 16th September, 1960, to enquire into the position of and prospects for Canadian magazines and other periodicals.....

Signed by R.B. Bryce,
CLERK OF THE PRIVY COUNCIL.

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MR. PITFIELD: This is the opening hearing in the City of Vancouver. We will hear first from Dr. Andrews, the Acting President of the University of British Columbia.

DR. ANDREWS: Mr. Commissioners, it is my pleasure and honour today on behalf of the President of the University, Dr. MacKenzie, to welcome you, Sirs, to the University of British Columbia. It is a personal pleasure to welcome my former next door neighbour in Ottawa, Mr. Grattan O'Leary, here to be a next door neighbour for a brief period at the University.

The University of British Columbia is not presenting a brief to the Commission but a Committee within the University representing a periodical here published by the University, Canadian Literature, will do so in the course of the next few days.

The University, like many other institutions and persons, Mr. Commissioners, is looking with great interest at the work of your Commission because we, like many other Canadians, are particularly conscious of the problems of the developing Canadian identity in terms of Canadian reading. We are aware of the very great importance of the work you have taken in hand.

The history of Canada in one sense is a history of transportation and communication in an effort to overcome the vast geographical spaces that

we have set out to inhabit and to live in and to make our own. Over the past decade there has been an enhanced attention to the problems of the developing Canadian identity and in terms of Canadian unity.

As one looks at a history of transportation and communication once sees that Canadians, though basically believing in a private enterprise economy, have from time to time been willing to try to ensure that competition does prevail by making subventions in terms of freight rates. They have been concerned to develop public enterprise if the area of private enterprise has not been able to handle the problems of ensuring that the Canadian unity and Canadian identity are capable of being achieved and maintained by private enterprise alone.

The whole of the Canadian people, I think, are looking forward with great interest to your report, to seeing in what ways the development of a national periodical press can be achieved within a free society on a primarily competitive basis and, at the same time, ensuring that the emerging picture of the Canadian identity can be held up to Canadians in order that they can become -- the only thing they can become -- Canadians in spirit as well as in truth.

So, Sirs, it gives me a great deal of pleasure to welcome you here and to say that all of us in this part of the country are tremendously

concerned with the work of your Commission, we are tremendously interested to see that the geographical entity of Canada can in fact be spanned by a national periodical press in such a way that it can compete with the over-run of the tremendously wealthy and tremendously vital American society to the south of us. The struggle to develop this Canadian identity next door to one of the most prolific, one of the richest, and one of the culturally most alive society in the world, is in fact not unlike the effort of the Irish to maintain and develop an identity in competition with, at that time, one of the most vital and versatile societies in the world.

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The struggle to maintain the identity did at one time enrich the Irish society. I have no desire and most Canadians have no desire to see Canadians put in a preferentially secure position because this only means a gradual rotting away of their own iniatiative and vitality. But it does require wisdom of Solomon, which I see is written on the faces of those present, to find out how competition may be made to prevail effectively, so that Canadians from Coast to Coast can see the kind of activity, the range of problem, that Canadians must face and must solve, and not merely see the reflection of that as it appears in a basically foreign press.

We wish you all success in this tremendous task, and look forward with great interest to the report that will appear. We hope that your proceedings are, in your point of view and the University, comfortable and efficient. . If there is anything we can do to make them more efficient, you have only to ask us.

THE CHAIRMAN: Dr. Andrews and Ladies and Gentlemen, for myself and my fellow Commissioners, we thank Dr. Andrews for placing at our disposal this wonderful room, and we thank him for his wise and understanding words, and we can only hope that the combination will help us in arriving at right decisions. We thank all those who have come here with submissions. We thank them for their co-operation, and we would like to assure them, as we have assured other participants at the opening of our meetings,

that their submissions will be received by us with open minds and given the fullest and fairest consideration.

That leads me to saying something which I would rather not say, but which is necessary at the present time. In that very old and much respected newspaper, The Vancouver Province, there was an editorial charge this morning that this Commission had been guilty of rudeness and of insult to one of our participants, namely Time Magazine. Now, I think I must say that we were not set up to act as censors. We are restricted infact by our terms of reference from interfering with press freedom, rightly understood. We are not concerned with how Time Magazine nor any other magazines process its editorial content, but of course we are concerned, and have to be concerned, with what Time Magazine puts before us as a solution.

It is our duty to consider and discuss that submission, and if in the discussion, what our British friends would call the cut and thrust of discussion, we have said things, or implied things, which seem to be an insult to Time Magazine, then I have to say that the words used were not so intended. We don't wish to make this Commission too stuffy. We do want to have fair and full and free discussion with the participants who come before us. Now, it was in that environment, atmosphere, that the words complained of were used, and I repeat they were not intended to insult or to show that this Commission has made up its mind about any participants coming before it.

I assure you we have not. We want to look at the facts in the best light possible and as Dean Andrews said, come to right and proper conclusions.

There is one thing further I wish. I wish that people coming before us and invoking what they call press freedom as the protection of their existing position, would first try to find out what press freedom is. Press freedom is not an absolute. Freedom itself is not an absolute. Both must be subject to the need of an ordered society. Just the other day, I was reading where that eminent jurist, Mr. Justice Learned Hand, was discussing the Bill of Rights, and said a lot of terms used in the Bill of Rights added up to little but nonsense. He remarked that you couldn't have free discussion in a modern society. It has to be subject for example to public safety. The traffic laws for example. He said you just cannot hold a public meeting on Fifth Avenue, regardless of the traffic. This is true of press freedom in every respect. I am a little weary of publishers and editors giving a young man a notebook and pencil and sending him out in the street as if they have vested him with some special significance. But we are not here to try and impose thought control on anyone. We have no intention of doing any such thing, or making up our minds before all the evidence is in, and we hope that Time Magazine and the other participants here will understand that.

MR. PITFIELD: Would you identify yourself please?

MR. KEATE: I am Stuart Keate, Publisher of the Victoria Daily Times.

THE CHAIRMAN: Mr. Keate, you may stand or sit.

MR. KEATE: Thank you, Mr. Chairman, I prefer to stand.

Submission by Stuart Keate, Publisher, The Victoria Daily Times.

A BRIEF TO THE

ROYAL COMMISSION ON PUBLICATIONS

By Stuart Keate,
Publisher, The Victoria Daily Times

Vancouver Public Library
November 21, 1960.

Gentlemen:

May I first of all express my gratitude for the opportunity to appear before you. I do so with some trepidation, since I represent no organization or group, will present largely personal and objective observations, and have no easy solutions to offer for the vexatious questions which confront you.

It did occur to me, however, that it might be useful to the Commission to hear from a Canadian, not now in the magazine business, who had formerly been employed by two of the United States publications which seem to be charged with providing unfair competition to Canadian magazines.

In explanation, let me say that, for five post-war years I was on the staff of Time, Inc., as a writer and bureau chief, both on U.S. and Canadian editions in New

York and Montreal; and I have contributed copy, as a free-lance, to The Reader's Digest.

At the risk of being classified as a renegade, I want to raise a small Victorian voice in behalf of these publications.

At the time the 20 per cent tax was imposed on advertising content of U.S. magazines with Canadian editions, some remarkable statements were made.

My newspaper, incidentally, was one of about 75 in Canada which entered a strong editorial protest against this discriminatory tax. We thought that it was unworkable, an opinion which was confirmed by subsequent experience; but more importantly, because the tax seemed to interfere with the free flow of ideas and opinions, to introduce a form of "thought control" which was certainly inimical to the philosophies of the government which brought down the legislation.

The Canadian periodical press, however, had other charges to make. It was said that these publications were basically dishonest; that they were slanted, inaccurate and of little value economically to Canadians. It was charged further that any publicity benefits accruing to Canada were remote, since the great bulk of Canadian editorial copy researched in this country was dropped from U.S. and International editions.

This was not always the case. The Commission may recall that the Canadian edition of Time magazine was inaugurated by Mr. Robert T. Elson, a former Vancouver newspaperman, in 1943. Mr. Elson subsequently rose to become general manager of Life magazine which, if nothing else, demonstrates that Canadian journalism is just as ready to relinquish its good men to the United States as is Canadian industry.

In 1945, when I joined Time magazine in New York as a writer on Canadian affairs, we published one page of Canadian news in the United States edition, which received world distribution. After about a year this was dropped, on the grounds that Canadian news could not compete, from the simple standpoint of reader interest, with news from other nations.

The explanation given will be familiar to all of you and was, in a way, a sort of back-

handed compliment: we Canadian were "too well-behaved," too decorous if you will, to provide lively international copy.

The truth of this judgment became apparent when Canadian news was transferred to the "Western Hemisphere" department, and required to compete for space with events in Central and South America. One has only to consider the current political climate in Cuba to appreciate the virility of this competition.

But to return to the original charges of our periodical press: there must surely be a fine ethical distinction between American magazines with Canadian editions and our own television -- which imports canned American programs by the carload lot and sells Canadian advertising around them to the detriment of completely native media. Or, let us say, American automotive manufacturers who ship important parts into this country for their "Canadian editions", with headquarters in Michigan.

On the point of inaccuracy: I can only say that I know of no other publishing venture that spends as much money attempting to be accurate as does Time, Inc. It is a fact that each word in that magazine must be checked by a highly-trained staff of researchers. They make mistakes, because they are human. But it is literally true -- as I can testify from personal experience -- that this firm will telephone across the continent, before the

magazine goes to press, in an attempt to determine whether a politician's eyes are brown, or blue -- or, in one case that I know of -- both.

The measure of Time's success in this field, I suggest, is the inordinate glee Canadians express when they catch them out in some hopeless blunder.

And it is simply not true to say that Canadians have not benefited economically from Time's venture in this country. In my experience, they employed about 30 "stringers", or part-time correspondents, on newspapers from coast to coast in this country. One of them, I recall, earned $6,000.00 in one year in this capacity, which was approximately the same amount as he was paid on a full-time basis by his Canadian employer.

Today these correspondents number about forty. In addition, there are thirty-two permanent people, the great majority of them Canadians, engaged in editorial, advertising, cirulation and promotional activities. There are full-time Canadian bureaus in Calgary, Toronto, Ottawa and Montreal.

Over the past seventeen years, these posts have been occupied by a number of top-flight American journalists who have gone on to other world capitals, taking with them a keen personal knowledge of Canadian affairs. Outstanding among these was the late James L. McConaughy, Jr., who became chief of Time's Washington bureau and was killed in the tragic

crash of a U.S. Army transport aircraft.

I would like to take this opportunity to pay a little posthumous tribute to a great friend of our country.

I cannot help but feel that these men, and this experience, have been of very real value in interpreting Canada to other countries, and adding to understanding between the great North American partners.

Nor can I forget that Time was one of the first American publications to show an active interest in Canada. I almost said "the first" -- until I recalled that, when I first met the distinguished Chairman of this Commission in December of 1942, he was introduced to me not as the editor of the Ottawa Journal but as "the Canadian editor of Colliers", a famous American publication which has unhappily ceased publication; not, I hasten to add, as the result of anything he may have done in its service.

It seems to me that Canadian periodicals, instead of asking for restrictions on American publications, or subsidies of one kind or another, might study them with profit, and perhaps even accept some of their philosophies.

One of these, which I admire greatly, is the Americans' willingness to take a chance on young men, in the belief that yeast and fermant are essential ingredients to the stirring-up of ideas.

One or two Canadian magazines have already tried this, and successfully. I am sure we all witnessed, with rejoicing and with pride, the post-war renaissance of our national magainze, Maclean's, under Arthur Irwin and Ralph Allen, with their able young staffs.

In the newspaper-supplement field, I can assure you that the magazine called Weekend is viewed with admiration - and not a little envy -- by the publishers of comparable American supplements such as This Week and Parade, both from the point of production values and editorial content.

Surely there is no lack of talent in Canada. We have the writers, the artists, the photographers and the technical experts to produce first-class magazines in this country. And the total circulation figures would indicate that there is a healthy intellectual curiosity among our people; Canadians like to read.

And yet it must be apparent to everyone interested in a periodical press that there are wide gaps in our coverage by Canadian magazines, and no present attempt being made to fill them. We have no weekly news magazine such as Time, Newsweek or U.S. News and World Report -- although, ironically enough, I am told the publisher of the latter magazine is a Canadian.

We have no popular literary magazines in

country comparable to the Atlantic, Harper's, or The Saturday Review; no sophisticated journal "not published for the old lady in Moose Jaw", as the New Yorker is "not published for the old lady in Dubuque"; nor even a top-quality magazine of recreation, such as Sports Illustrated; nor a national children's magazine.

In a spot-check of magazines coming into my own home last week I was astonished to find that I am currently subscribing to twenty-nine, of which sixteen are American and thirteen Canadian.

I would like to digress to show you a magazine which came to me as I left Victoria. It is Liberty. It was originally published, I believe, by Bernard McFadden. I am told this magazine has the second largest circulation in Canada, something between 500,000 and 600,000 circulation. Let us look at the cover of this magazine. I would like to you to see the captions there: "Dinah Shore, What is Behind Her Sweet Mask"; in the other corner, "Tommy Sands, Why I love Nancy Sinatra"; and, Robert Stcak - My Untouchable TV Life." Perhaps, gentlemen, the problem is not so much getting Canadian content into American magazines, but getting Canadian content into Canadian magazines.

I was even more astonished, in breaking them down, to find that only two of the fifteen American publications could be classified as trade

papers; while nine out of the thirteen Canadian magazines fell into this category, or some special-interest subsection, such as University papers.

From this limited survey I would conclude that Canadians seem to do reasonably well with trade papers, but not so well with the so-called "popular" publications of broad mass appeal. What is the explanation?

One obvious one would appear to be the classic and stubborn fact of a relatively small population spread across the great land mass, with inevitable problems of costly distribution and promotion.

In short, the harsh economic fact of dollars. To which, all Canadian writers would doubtless exclaim a hearty "Amen".

It is also a harsh fact that two of Canada's so-called "leading" magazines will pay an experienced, previously-published writer, a fee of $75.00 or $100.00 for an article of 1,000 to 1,500 words. Since most of these gentlemen will spend about two weeks in researching and writing such an article, it is obvious that they are working for considerably less than the hourly rate paid carpenters, brick-layers, secretaries or even ditch-diggers. It is also obvious that there is little inducement for them to write, unless they can progress to the point of selling U.S. markets.

This may well be a case of "water finding

its own level". If Canadian magazines cannot find the money to pay top quality writers, they are going to have difficulty in finding top quality readers and advertisers, and inevitably they must go under.

But surely this same principle applies to most Canadian businesses. Do they all run to the government for help when threatened by foreign competition? Or do they stay in business by improving their equipment, adopting new techniques, and putting out the best product of which they are capable?

My friend Eric Nichol was arguing in a local newspaper recently that what Canada needs is an "intellectual aristocrary". He added:

> "By 'intellectual aristocracy' is meant not the small coterie of snobs gathering their faggots of foreign films and warming themselves with enthusiasm for the deservedly unpopular, but leaders in the legislature, the classroom, the theatre -- wherever public opinion and taste may be worked upon to their improvement."

Mr. Nicol saw this leadership as the main challenge of the University. He noted that Canada has now an elite of the wealthy, and they have assisted our universities tremendously.

He might have added that they have assisted the arts -- though, curiously, not in any particular

spirit of daring. If there are any great number of patrons of young artists in Canada, they have accepted my notice. The indication is that our tycoons gamble on "sure things". Tom Thomson, Cornelius Kreighoff and Emily Carr are like unto diamonds. "Orphyeus and Daridica," as they know here in Vancouver, will never draw like "Madame Butterfly."

This is in vivid contrast to the boldness exhibited by these gentlemen in affairs of the market-place. I read, just a few days ago, an exciting speech by a Canadian who had invested twenty-five years of his life in raising $500 millions to develop a pipe line. We have witnessed similar success stories in iron ore, patro-chemicals, uranium, newsprint and breweries.

Thus far we have been unable to excite a similar interest in the world of ideas. But surely the day is not too distant when one such magnate will emerge, possessed of a national spirit and conscience, who will be willing to gamble on Canadian talent and Canadian inventiveness to produce a magazine, or group of magazines, which will tell our people who they are and where they are heading.

Henry Luce did it in the United States on an original capital of $86,000.00 -- plus a whole lot of drive, courage, imagination, and talent. We can do the same thing here, but only if we are willing to learn from others, to expand "the traffic of the mind," and to operate in a climate of freedom.

EXHIBIT V-1: Submission of Victoria Daily Times.

THE CHAIRMAN: Will you remain for a few questions, if you please, Mr. Keate.

COMMISSIONER JOHNSTON: Mr. Keates, I wonder if you would define, for the people who are not aware of the technical expresions in the writing and publishing business, what is a stringer?

MR. KEATES: A stringer is a part-time correspondent, not on the salaried staff of the organization, usually attached to some newspaper, radio or television station in a city remote from the head offices of the home publication.

COMMISSIONER JOHNSTON: I think every newspaper man at one time or another has seen a stringer - a part-time correspondent?

MR. KEATES: Right.

COMMISSIONER JOHNSTON: I never made anything like $6,000.00 out of it, though. I suppose this Victorian voice is the age of Victoria, not Victoria, B.C.?

MR. KEATES: No. This is Victoria, B.C. Sometimes it is hard to tell the difference.

COMMISSIONER JOHNSTON: In Paragraph 1, at the end of the first page, you talk about the opposition to the earlier tax. You say it was unworkable and the people in Ottawa decided it was unworkable; so, it no longer exists. You said that your paper, among seventy-five or eightly felt that this tax was to introduce a form of "thought control". You were in this country throughout that period when that tax was in effect; did it curtail the expression of thought of any of the publications they were trying to

tax? Did Times change?

MR. KEATES: No. I do not think so, Mr. Johnston.

COMMISSIONER JOHNSTON: Then, there was no thought control fro the legislation?

MR. KEATES: Well, perhaps if the legislation had been harsher and had worked a hobbling or a crippling effect on the magazines, it might have tended to try and steer peoples' reading habits into one direction or another, and I think a case could be made for that argument.

COMMISSIONER JOHNSTON: You mentioned Mr. Elson. I am glad you did, because I knew him, and, perhaps, I know him yet. I have not seen him for years, but any time I do see him, he is courteous, kindly and generous and I certainly wish him well in his new post.

You mentioned television as competing with Canadian publications. I think you are perfectly right. Television does compete. We do not have to talk to an advertising man for more than a few minutes to find that out. However, this Royal Commission, perhaps fortunately for us, was not set up to deal with television.

MR. KEATES: May I say a word, Mr. Johnston. I think we are being a little self-righteous in Canada. We protest about the Americans selling Canadian advertising around this pre-packaged content they have, and yet, others feel we do precisely the same thing ourselves. It seems that we are not very consistent in this regard.

THE CHAIRMAN: Excuse me, Mr. Keates. Does not

the Board of Broadcast Governors now lay down as a rule that Television must have a fifty-five per cent content?

MR. KEATES: I believe this is the ultimate aim, Mr. O'Leary. There is some graduated scale; I think thirty-five or forty-five....

THE CHAIRMAN: I believe the ultimate aim is seventy-five per cent, but the present low is fifty-five per cent?

MR. KEATES: Yes.

THE CHAIRMAN: Now, if you apply that to some of the American publications coming into Canada, then, perhaps, I think you would have a relevant point. But, I could not see the relevancy of accusing television of doing something which we say is bad on the part of imported periodicals, when television has been taken care of. At least, I hope so.

MR. KEATES: Yes.

THE CHAIRMAN: It should depend upon the Canadian content; but, at all events, that is what we have understood by the law. There must be a fifty-five per cent Canadian content now in programmes put on television. So, this paragraph then seems to be ruled out.

COMMISSIONER JOHNSTON: The last sentence on Page 2 of your brief, you say: "...American automotive manufacturers who ship important parts into this country...", mainly from Michigan --. Are not all these parts subject to customs duty?

MR. KEATE: I would think so.

COMMISSIONER JOHNSTON: Well then, they do not fall in the same category as this at all?

MR. KEATE: Yes.

COMMISSIONER JOHNSTON: Mr. Keate, I wonder if you would define what a Canadian magazine or a Canadian periodical is?

MR. KEATE: In one sentence?

COMMISSIONER JOHNSTON: Well, I worked half an hour on one sentence this morning.

MR. KEATE: Well, I suppose that a Canadian magazine is a magazine produced in Canada, by a staff, the majority of whom would be Canadians, and whose essential purpose would be to illuminate the life of Canada to its Canadian readers.

COMMISSIONER JOHNSTON: I think that is pretty good.

THE CHAIRMAN: No. What about the ownership of the magazine? It is being produced in Canada. It might be produced by people from Holland or people from the United Kingdom, or people from the United States. Surely, a Canadian magazine would have to be a magazine owned and produced in Canada and owned by Canadians, or owned in a majority by Canadians. You would add that, would you not?

MR. KEATE: Would that matter too much, Mr. Chairman, if you had the editorial freedom that you needed to produce a magazine that would meet the requirements I cited; would the question of ownership be too important?

THE CHAIRMAN: I would think it would be important. This is what we are talking about with subsidiaries of

United States industries. After all, you say they should let us buy through equities. If that means anything, and we have a right to buy control --. This is the complaint, really, if you are going to apply to periodicals and magazines a rule which you say is very bad in the case of other segments of the economy. After all, a magazine, to a great extent, is a commercial proposition. So, I am not so sure. I think if you would add "Canadian ownership" to your definition, it would probably be all right; but, without "Canadian ownership", it seems to me that it is not the thing to do. I may be wrong on that.

COMMISSIONER JOHNSTON: I suppose Commissioners should not argue with each other; however, this morning, in thinking about "What is a Canadian magazine?", I ran up against this problem of ownership from the fact that Mr. Roy Thomson, who is no longer a resident of Canada - the last I heard of him - but, whose newspapers in Canada certainly are Canadian -- so, there is another instance of where the ownership is --. There may be stock outstanding. I think the control is with Mr. Roy Thomson.

THE CHAIRMAN: I made a statement the other day, discussing this between foreign control and British, and Canadian as I am, I do not yet want to call the English "foreigners"; but, it seems to me that a magazine owner in some foreign state won't own all the equity...

MR. KEATE: I think it is also true, Mr. Johnston, that Mr. Thomson has been able to invade the American field successfully and now owns eight newspapers in the United States.

COMMISSIONER JOHNSTON: I do not know what he is going to do in Ethopia.

MR. KEATE: It is Nigeria, I believe.

COMMISSIONER JOHNSTON: Let us get on with this. This morning, I wrote this definition. I wonder, Mr. Keate, if you can go along with me on it, or not? I say a Canadian publication is one that is produced in Canada, is managed and edited by residents of Canada, primarily for Canadian readers.

MR. KEATE: "...is managed and edited... primarily...?

COMMISSIONER JOHNSTON: '...by residents of Canada...

MR. KEATE: "...by residents of Canada..."

COMMISSIONER JOHNSTON: "...primarily for Canadian readers."

MR. KEATE: Yes. I think that is a fair definition.

COMMISSIONER JOHNSTON: You will notice that I said "by residents of Canada."?

MR. KEATE: Yes.

COMMISSIONER JOHNSTON: Because, Mr. Laybourne is, I believe, managing a Canadian operation and is a United States citizen.

MR. KEATE: Yes.

COMMISSIONER JOHNSTON: I remember that although I worked in the United States for seven years, I remained a Canadian.

MR. KEATE: Yes.

COMMISSIONER JOHNSTON: Now, you mentioned Liberty, Canadian Liberty?

MR. KEATE: Yes.

COMMISSIONER JOHNSTON: I do not know what its Canadian content is. It does not really matter. Canadian Liberty, according to evidence we have received a few days ago, is losing a great deal of money. Now, you mentioned the fees paid by Canadian magazines. We have had some information the other day about the amount of money paid by Readers' Digest for articles -- $2,500.00; that seemed to be about the norm. The Readers' Digest Canadian company pays to the parent company a little less than five per cent of the cost of the editorial content, which comes down to $75.00. So, you see that a Canadian magazine could not pay on the same basis as the Readers' Digest; is that not so?

MR. KEATE: I am not sure that I follow you, Mr. Johnston, on the $75.00. What comes down to $75.00?

COMMISSIONER JOHNSTON: Well, the five per cent of $2,500.00 is ...

MR. KEATE: Oh, I see. Yes.

COMMISSIONER JOHNSTON: It is a little more than that. It is $125.00.

MR. KEATE: It seems to me there must be a remarkable disparity between fees paid by Canadian magazines

COMMISSIONER JOHNSTON: Well, you suggest here in your brief somewhere that Canadian writers seeking an audience send their material to the United States.

MR. KEATE: If they want to exist as freelancers.

COMMISSIONER JOHNSTON: And an article or a story that cannot sell in the United States through an agent, is sent back to Canada and is then offered to some Canadian publication for its salvage value?

MR. KEATE: That is right.

COMMISSIONER JOHNSTON: You suggest that we should produce better magazines in Canada?

MR. KEATE: Yes.

COMMISSIONER JOHNSTON: I would agree with that, but how are you going to cure that situation? You are a publisher.

MR. KEATE: How is it done when a magazine like Maclean's is, on occasion, able to pay a thousand dollars, let us say, for an article, but a magazine like this, which has a large circulation, or Saturday Night will pay $100.00 or $75.00? It seems to me the breach is very, very wide there.

THE CHAIRMAN: Mr. Keate, would it not be because Maclean's Magazine is aided to a great extent, financially, by the fact that it belongs to an organization like MacLean - Hunter which, in their own brief, suggested that they have other means of support?

MR. KEATE: Yes.

THE CHAIRMAN: Do you think a Canadian magazine, which is owned and published as a magazine, can pay that sort of Canadian talent under existing conditions, limited circulation and limited advertising?

MR. KEATE: Does not this organization that

published Saturday Night have the same sort of trade paper setup in behind it, perhaps not as extensive...?

COMMISSIONER JOHNSTON: No. They have sold them. They sold their printing plant. Now, at the top of Page 6 of your brief you say: "But, surely this same principle applies to most Canadian business. Do they all run to the Government for help when threatened by foreign competition?" If we read the Winnipeg Free Press, they do. "Or, do they stay in business by improving their equipment, adopting new techniques, and putting out the best product of which they are capable?" Do they? We have in Canada a customs tarrif. Some people say it is too high and some say it is too low; but, no doubt, you have studied Canadian history and may be able to contradict me. I contend and Mr. John A. MacDonald contends that it was Confederation -- it was the national policy that made Canada. Would you say that was a wrong statement?

MR. KEATE: I think Mr. Diefenbaker contends that too, does he not?

COMMISSIONER JOHNSTON: I do not know what Mr. Diefenbaker contends.

However, you would say that Canada, to maintain its manufacturing industry, needs some protection, or you deny it?

MR. KEATE: As you know, many of us here in British Columbia think basically of the lumber industry. It has had very great problems here over the years. Essentially, this is an export economy, as you know. They have made a great showing here by improving their techniques, ploughing back investments in new equipment, smartening up their products by way of packaging and marketing, and in every way. In this way they have managed to maintain their position in the industry. This is one thing that just occurs to me from this area. As far as I know, they do not run to the government every time they get into trouble.

MR. JOHNSTON: Did I not read somewhere recently that Japanese plywood was coming into British Columbia and causing quite a bit of distress?

MR. KEATE: I think I will have to let Mr. Mitchell answer that.

THE CHAIRMAN: I will have to rule both Mr. Johnston and Mr. Keate out of order. This is not a budget debate.

MR. JOHNSTON: On that same page you say that the indication is that our tycoons gamble on "sure things". It seems to me that I know two -- I think I know two -- men, Mr. John A.

MacAuley of Winnipeg and Mr. S.J.Zacks of Toronto, who have gone to great lengths to buy new art.

MR. KEATE: I would not like to be under oath with regard to that statement.

MR. JOHNSTON: You say they have done pretty well in the market place and you mention breweries. Is it not a fact that the liquor control boards in every province control the number of brands in the imports of beer?

MR. KEATE: Peculiarly, I had in mind the Canadian invasion of the United States market.

MR. BEAUBIEN: In the middle of page 5 you state:

> "From this limited survey I would conclude that Canadians seem to do reasonably well with trade papers, but not so well with the so-called 'popular' publications of broad mass appeal."

Can you expand on that a little? Have you some reason for thinking that trade papers are successful whereas popular publications are not?

MR. KEATE: I do not really have the answer to that, Mr. Beaubien. It is just a fact that struck me as odd when I came to a break-down of these. May I give you a list which I have:

> Maclean's, Saturday Night, Canadian Art, Liberty.

Then there is Canadian Journalist, Canadian Printer,

Canadian Markets, Canadian Broadcaster, Canadian Sports, CBC Times, UBC Alumni Chronical, The Scout Leader, About Town. About nine of those, the last nine, are trade papers. On the American side there were two. I am puzzled; I do not know what is the explanation of that.

MR. BEAUBIEN: Would you not think there would be greater appeal to the Canadian public on the part of these trade papers than there is on the part of the popular publications? In other words, when you get into the popular publications you are getting into a highly competitive field. Do you think that would be one explanation?

MR. KEATE: I suppose it could be.

MR. BEAUBIEN: Just another question. Would it be fair to say from your brief that one can draw the conclusion that in your opinion there is no problem in Canada with regard to the periodical press, that the best thing for Canada to do would be to leave things as they are, adopt a laissez faire attitude?

MR. KEATE: Not a laissez faire attitude, Mr. Beaubien. I would like to see Canadians get into some of these fields that I mentioned a little later on. I think there are some gaps in coverage in fields in which we are not attempting to operate. I would like to see some Canadian magazines develop in that area, and I think in the

fullness of time they probably will.

MR. BEAUBIEN: You think the secret of the thing lies within the industry itself?

MR. KEATE: Yes.

MR. BEAUBIEN: And it does not need any outside help or protection?

MR. KEATE: Generally speaking, that is my position.

THE CHAIRMAN: Mr. Keate, I want to draw upon your experience as a publisher and, as I know very well, a very good one.

You say at page 5, "We have no popular literary magazines in this country comparable to the Atlantic, Harper's, or The Saturday Review", and I would have added myself The Yale Review there, but that does not matter. Do you really think, as a publisher, that we could in fact produce in this country the equivalent of an Atlantic or a Harper's or a Saturday Review? I think we could produce it, but could it be financially prosperous, could it be economic, could it be a sound venture, even one with any chance of success?

MR. KEATE: It is a very difficult question to answer, Mr. Chairman.

THE CHAIRMAN: I think I should remind you that we have a publication in this country called Canadian Art. This is an excellent publication as you know. It is financed by The

Canada Council, as you also know. Its total circulation is only 6,800. Surely this reveals the difficulty a publisher would have in getting out a high quality publication such as Atlantic, Harper's, Saturday Review, and you can go on down the list. Is this not our difficulty really?

MR. KEATE: Yes.

THE CHAIRMAN: The lack of population?

MR. KEATE: Yes.

THE CHAIRMAN: Then at the end you say that we have the talent and so on and so on and that all we need is the enterprise and inventiveness.

MR. KEATE: And the money.

THE CHAIRMAN: And you say,

> "Henry Luce did it in the United States on an original capital of $86,000.00 -- plus a whole lot of drive, courage, imagination, and talent."

-- and apparently this is what you think is lacking in Canada --

> "plus a whole lot of drive, courage, imagination, and talent."

But did he not also do it with a population of 25 million people?

MR. KEATE: Yes.

THE CHAIRMAN: And do you think he could have done it if, when he began his drive with Life, Time and Fortune there had been on the news stands

of the United States 300 foreign publications for every twenty United States publications?

MR. KEATE: I think the fact is that there were a lot at that time. Of course, you have to make a beginning somewhere and I believe the first run of Luce's magazine back in '23 was very small indeed.

THE CHAIRMAN: You would approve a state subsidy, of course, for magazines?

MR. KEATE: Yes.

THE CHAIRMAN: For periodicals?

MR. KEATE: Yes.

THE CHAIRMAN: And I think the periodicals themselves, to do them justice, would also; and I certainly would.

MR. KEATE: Yes.

THE CHAIRMAN: With our small population, with the geography to contend with and with a feeling in Canada against subsidies to magazines, newspapers or any publication -- this is contrary to our whole system -- do you really believe it is possible at this time for a publication in Canada to go on to a reasonable prosperity not only because of our geography and lack of population, but because of this condition which exists with the importation into this country of foreign publications and the invasion in this country of magazines purporting to be Canadian but not in fact Canadian-owned and not in fact Canadian-edited. This is our problem.

[illegible]

[illegible]

[illegible]

Here we have a country with a small population, with geography against us. We need a periodical press. But how are we going to secure it if in addition to all the other obstacles and all the other handicaps we allow these publications to come in from the United States unhampered? You come here and make out a case for Time and for Readers Digest -- and you did it extremely well as you always do -- but you have not grappled with the problem at all really, I am sorry to say.

I have read and read and read until my eyes are weary the representations made to us. People identify the problem. I am sorry to say they do not come up with solutions. We are finding it extremely difficult to say how we can maintain a periodical press and have a periodical press survive in Canada under those conditions which permit these foreign publications to come in as they are coming in, plus the ordinary handicaps under which our people labour.

Mostly I would agree with you if these conditions did not exist; I am all for competition. I am certainly against anything that would curtail expression or interfere with readership preference, and our terms of reference expressly said that we must not interfere with readership preference or with press freedom -- which one might interpret rightly or wrongly; we hope to interpret it rightly -- and this is my difficulty. Your brief is

excellent but it does not help us, I must say, in arriving at a conclusion we would like to arrive at. If you can tell the Commission some way by which we can solve this problem we would be very happy.

MR. KEATE: May I make a comment, Mr. Chairman. I take it that you do not feel that our nationalism is diluted in any way by the influx of these --

THE CHAIRMAN: This is a matter of opinion and you would get twenty different opinions if you walked down the street; some would say yes and some would say no. Mr. Andrews spoke of Ireland. It did not happen in Ireland; for three hundred years Ireland was subjected to an unmerciful influx and it ended up with the Gaelic League teaching Gaelic and with Ireland declaring itself a republic. These arguments are too loose for acceptance by us.

MR. KEATE: It seems to me that we had an opportunity once before because we had the backing in the case of the magazine called New World. I forget when it started but it was somewhere in the mid thirties and ended up, I believe, in the early war years. If I am not mistaken it was financed by A.P. Taylor, one of our great Canadian industrialists. It seems to me, as a purely personal opinion, that at that time we had the money but we did not have the talent. Now I think the situation has reversed. W have the talent and the knowhow but we lack the

money.

I think our problem would be solved in part if some kindly magnate would come forward and say, "Here's $3 or $4 million. Produce a first class Canadian magazine". I am sure we have the people who can do it.

THE CHAIRMAN: Someone like the dear lady who finances the Reporter.

Thank you very much for a very lively and entertaining presentation.

COMMISSIONER JOHNSTON: I have one thing here that I think contributes to our problem and I would like to think that Mr. Keate, with his great experience, would comment upon it.

I have a book here that I commend to everybody who has not read it and who is interested at all in newspapers and publications. It is "Northcliffe" by Reginald Pond and Geoffrey Harmsworth, 900 pages. Last evening I got to page 335 and this is where Northcliffe is negotiating for the purchase of the London Times or, as they so quaintly say in England, The Times. Northcliffe had talks with someone who was to present a scheme for incorporating in his will his wishes regarding the future of The Times. Chiefly he wanted to make certain that the paper should never fall into alien hands, and I think that, in a different context, is the problem we are facing

[illegible]

here.

Eventually, Northcliffe's will, a trust, was based largely on his plans for The Times at that time.

Do you not think that we have the problem here that our periodical press will not fall into alien hands, either the alien hands of editors or owners?

MR. KEATE: No, I do not think so, Mr. Johnston, with respect.

THE CHAIRMAN: Mr. Keate, there is the money question. You see, right now this angel for whom we have been hoping, or men like the lady who helps The Reporter, is a sort of gift from heaven, a tribute from fate which we cannot expect. So our periodicals if they are to live must have money, and the only way they can get the money is from advertising. Do you agree with that?

MR. KEATE: And circulation.

THE CHAIRMAN: They have to have one to get the other. But at all events, circulation would not provide more than 20 per cent of their net, so they have to have the advertising.

If a condition exists under which publications from another country are coming in, the split run and something else, to take that advertising away from them, what then do you think? You are as puzzled as I, I see.

MR. KEATE: You brought up the case of The Reporter. Do you happen to know whether or not that is a profitable operation?

THE CHAIRMAN: I am told upon good authority that it is not. There is definitely a very heavy loss. You know all about advertising rates. They publish their advertising rates and you just measure the advertising in a volume;and you see they use very good paper, and I expect they pay their writers very well for they have very distinguished people writing for them.

MR. KEATE: When people argue with me that Time is a pro Republican magazine, I think of The Reporter, which is just as strongly Democratic as Time is Republican. Just in between, you have Newsweek, and U.S. Notes, and World Report, which is a little bit to the right of little Orphan Annie in my opinion, and if you read all four and then Saturday Night and Maclean's, you bring it something close to the truth.

THE CHAIRMAN: I am not interested in the politics of Time magazine. I believe in party press, as you know. Disagreement you get in a society is good for the society. I am concerned with its financial operation in Canada. Thank you very much. We are going to recess for five minutes.

(At 11:45 a.m. the hearing is recessed until 11:50 a.m.).

MR. QUINN: Would you identify yourself please?

MR. MITCHELL: Mr. Chairman and members of the Commission, I am H.T. Mitchell, making a submission in behalf of Mitchell Press Limited of Vancouver. At the commencement, I should like to express appreciation for the privilege of doing so, and to record my deep appreciation in the fact that government interest in our operation, which previously I am afraid had been expressed at the level of the income tax department only as entering

on into some of the realm as to why both we and the income tax department are dissatisfied with our returns. We have in Mitchell Press a considerable wrestling with our convictions and our judgment because of the concern we have, Mr. Chairman, for the preservation of the spirit of not only a freedom of expression, but reasonable freedom of the trade channels of the world, and we have been proponents of the view that there should not arise at Canada's behest any appreciable drift or drive towards trade restriction. And so, in considering this subject of remedies for a very real problem of the periodical press, we at Mitchell Press have been concerned that we should not be identified, or be considered to be sympathetic to anything that would worsen the Canadian picture in trade, while trying to better the position of periodical press. I believe that this reconciliation of viewpoint is feasible. At the same time, I personally wish not to be in the position of recommending for others medicine which would be repugnant to us. I feel that we must be consistent in those respects, and in submitting this brief, I have attempted to bear very much that point in mind.

May I present my submission which, Mr. Chairman, I have handed to your secretary in slightly amended form from the original following an oral statement concerning the visual evidence that we have all around us in Canada, and in many instances

here in British Columbia, of course, of the problem that we are concerned with. This is a photograph supplied to us by the Photographer's Association of British Columbia, and accompanied by a letter from them, which I shall file with the Commission, in which they explain where this stand is.

It is to the secretary and the Commission:

"

2294 West 22nd.,
Vancouver, B.C.,
November 18, 1960.

P. Michael Pitfield, Esq.,
Secretary,
Royal Commission on Publications,
Vancouver.

Dear Sir:

We respectfully ask the Royal Commission on Publications to accept as a submission from the Professional Photographers' Association of British Columbia the accompanying exhibit. This is a photograph of a newsstand at Boomers' Drugs Limited, 3161 Arbutus Street, Vancouver, taken on November 17 of this year. This newsstand is offered as typical of the magazine display stands on the west coast, and was chosen simply because it happens to be next to the photographers studio. The magazines were not altered or rearranged in any way.

A tabulation of the publications on display at this stand showed the following

breakdown:

		% of total
US publications	201	91 3/4%
Canadian "	12	5½%
English "	6	2 3/4%
Total	219	

Yours faithfully,

'H. Gordon Kern'
President
PPABC"

This was, I think, interesting Mr. Chairman on these points. The position and the quantity are both significant. On the average newsstand, I think most of us find it is now almost as familiar to locate the magazine we are looking for by position, as it is to locate in the daily newspaper by whereabouts in it is some feature in which we are interested. This is by no accident. The magazines are placed by plan, a plan in which certainly the minor publishers of Canada are not consulted. The plan delegates to magazines the particular position for their display on the stand, and as we will see here, this falls in approximately this position. Maclean's, Star Weekly, and the front row, sharing positions with these magazines, Look, Life, Post, Reader's Digest, MacCalls, Better Homes. Two magazines in the front row. In the second row, all American, sixteen of them, but Liberty, which we have just heard. No Canadian magazines in the third or fourth or fifth rows, and in the sixth row Saturday Night.

In the next row above a front display raised a new magazine for Vancouver called Why. Beyond that, the back row, we find one magazine Canadian well to the back. We don't find there such Canadian magazines as Canadian Homes of Maclean-Hunter, nor our own Western Homes and Living. They were telephoned to ask if they carried those magazines. They assured us they did. We asked if we could go there at that time and find them, and they said, on checking, we unfortunately haven't copies at the present time.

We have tried with Western Homes and Living, the technique of having our magazines, by reports of the circulation department, drawn into a more conspicuous position. It is a matter of merely hours it seems, that that is rectified by the powers that be controlling the newsstands and our magazine found itself back on the outskirts of the community of the magazines. I think, Mr. Chairman, that this is significant. When we see the few that represent Canada. You have heard, and I have read, that such magazines as Liberty, Saturday Night, Chatelaine, and Canadian Homes, are consistently unprofitable. Anything that is consistently unprofitable, surely has a very questionable future. There can be no assurance that there will be the supply of publishing angels referred to by the previous witness, who will come to rescue those magazines finally from the usual outcome of persistent unprofitability.

So that is the background and the visual evidence of it, of which this brief is written and submitted.

Submission by Mitchell Press Limited.

Introduction. The firm submitting this brief was established in 1928. Amongst its publications, one magazine - British Columbia Lumberman -- has published continuously since 1917. Its periodicals are:

Consumer	Circulation	Approximate Pages of Advertising Annually
Western Homes and Living	18,519	300
Business and Industrial		
Canadian Pulp & Paper Industry (National)	4,197	570 - one of two such magazines in Canada
Public Works in Canada (National)	6,146	210
Western Business and Industry (Regional)	5,500	600
British Columbia Lumberman (Regional) to Western Can.	5,228	575
Hotels and Restaurants in W stern Canada (Regional)	3,094	95

(Note - Mitchell Press Ltd. and Mercury Publications Ltd., of Winnipeg, have just reached an agreement whereby Western Manufacturing and Industrial D velopment, published for five years, is to be sold by Mercury Publications Ltd. and merged with Western Business and Industry).

MR. MITCHELL: I should like to submit to the Commission copies of these publications, and with them our audited circulation statements. With them also are typical examples of our promotion thesis which go to advertisers representing these magazines to them in the United States.

The Company - Mitchell Press was founded by the writer in 1928. It is listed as one of the major periodical firms in Canada and is probably the largest in scale of operations west of Toronto. Its business is divided approximately evenly between periodical publishing and commercial printing and lithographing. Recently, in search of added income, book publishing has been added to the company's various operations. It gives direct, full-time employment to 120 persons, employs others on a part-time basis in production and is a buyer of articles and photographs from at least fifty persons across Canada in the course of the average year. It earns a lower-than-average return due chiefly to factors which will be discussed subsequently in this brief.

Regional location - It will be apparent to the members of the Commission that periodical publishing in Canada, while carried on from Coast to Coast, is centred on Montreal and Toronto. Circumstances in those cities tend to produce more economical operations due to relatively lower printing labor cost, lower cost materials and larger volume of production. Never-the-less, in a country as widespread as Canada, with regional variations fundamentally altering the terms of life and of carrying on business or industrial programmes, there is a need for regional periodicals which will deal specifically with the readers' interests and problems in the geographical area where he carries on his activities. There is a tendency amongst publishers of nationally or internationally distributed magazines to use the term "regional" as a term of derogation in selling against magazines classified as regional. The implication is that they are of secondary significance because they do not deal with the country as a whole in their field of editorial coverage. Skilful buyers of advertising, however, recognize in a well-prepared regional magazine a degree of reader interest which is often more intense than in magazines whose articles in a country of such vast area and diversity of operating practices may be less practically useful and applicable than are those of a regional magazine to its own readers.

This is noted only as it may relate to the question in some minds: "Does a regional periodical press have any sound reason to exist in Canada?"

It should finally be noted that if economic considerations alone were to apply, there would be strong inducements for some publishers in Vancouver, struggling with rising costs and inadequate revenues, to consider shifting their scene of operations to Eastern Canada. But perhaps fortunately for this means of local expression with the attendant values it contributes to the British Columbia and the Western Canadian community, publishers, like many others, will accept a lower reward and a greater general severity of competition in order to satisfy a desire to live in the physically pleasant surroundings of Vancouver.

When I wrote that, Mr. Chairman, I had some reservations in my mind. I could not be sure that perverse weather might not make this scene not fully the truth. I am relieved to find it is a pleasant day.

THE CHAIRMAN: It was not raining that day.

MR. MITCHELL:
At some later time our pioneering and that of others -- such as a new fine paper mill in New Westminster, producing some grades of book papers--will contribute toward the maturity of Vancouver as a publishing centre. Meanwhile, the handicaps of premium costs for printing, labor, paper, ink, machinery, engravings and, in fact, virtually all of the elements of production, cause the general problems of the periodical publishing industry of Canada to be intensified here with few compensating factors other than that of living where one prefers to live.

BACKGROUND OF THE INDUSTRY

This Commission already has received the submission of the Periodical Press A sociation of which we are members. It well states the situation of foreign competition confronting Canadian magazine publishers and we subscribe to its terms without reservation.

Any supporting briefs by individual publishers within the industry are likely to be, to a degree, repetitive of points made by Mr. C. J. Laurin in behalf of members of the Periodical Press Association. I am sure the Commissioners will appreciate this fact and make allowances for it.

The fact of these hearings being held is a recognition of what amounts to a national emergency in a field of rather intangible but very real values.

Under the heading "Is Canadianism Worthwhile", I would like to develop these points:

As a Canadian whose ancestors have been in this country for upward of five generations, some of them Loyalists at the time of the American Revolution, the writer can admit to a strong partisanship toward the idea that Canada is a nation with something vital to contribute to the world now and in the future if Canadians will be true to their more cherished traditions. One finds abroad a unique friendship toward Canada and Canadians and in the United States a recognition by employers that Canadian education and Canadian characteristics add up to a plus factor favorable to the chances of being given some preference amongst job-seekers. This in spite of the fact that, for

at least a generation and a half, we have absorbed large quantities of American culture and entertainment from the mass media of communications. Canadianism must be more than a term if Canadians are still distinctly recognized as such when they go abroad or give expression to a viewpoint in the councils of world countries.

Yet this may be almost the last generation with a desire to remain Canadian and, if necessary, to make some sacrifice to do so rather than to be engulfed in an amorphous population mass to be recognized only as English-speaking North America.

In small geographical regions, such as in the British Isles and perhaps even in Western Europe, boundary lines are too restrictive in their effect to be defended over the long term. They are divisive of too little land. But Canada is a vast country, only scantily populated, still only at the outset of its development. It borders another huge country of federated states, still capable of absorbing its own natural increase of population, although it is ten times as populous as Canada. North America is large enough to accommodate the three major countries that are developing rapidly amidst its still open spaces and its great resources.

But consciously or otherwise, the United States, with its far more advanced industrial and commerical mechanism and its population ten times that of Canada, at nearly 180,000.000, is engaged in a benevolent absorption of many parts of Canada's apparatus for living into the American body economic.

whether the United States is doing this in a fit of urbane absent-mindedness or in a well-calculated move to achieve "Fifty-four forty" and far beyond without fighting is less significant than the fact of a profound change working upon the forces that, in aggregate, produced Canadianism in the past and now with gathering speed are surely being removed from its further cultivation and support.

WE STAND ON GUARD--OR DO WE?

Canadians have not been fortunate in developing a blood-stirring national anthem. The best we have thus far been able to devise is the rather doleful "O Canada" with its remarkably repetitive lines. In the chorus, we musically aver no fewer than five times that we stand on guard for our country, but when we sit down it's five chances to one that the magazine we pick up will have been produced in and for the friendly but foreign country to our south. No other important country in the world's history has ever been so pre-occupied with the literature of another land in competition with and to the near exclusion to its own as in Canada. And we will search history unavailingly to find an instance of a country that achieved any real sense of national purpose or solidarity by depending on some other country for its topical literature, its expressed opinions or even its entertainment.

Mr. Chairman, I think we must stop and pay tribute to the peculiar characteristic of the people of the small country to which you have referred. It may be that we have not had enough mixture of that particular blood in our Canadian population group to guarantee us the same

results.

I would refer back and interpolate at this point in reference to our picture that we could search the world over outside of Canada for another instance of national newstands in which there is a like, or even an approximately like predominence of foreign dominant literature present for Canadian consumption.

In building a nation, physically, many things and many people may have to be imported, but the raw material for the making of a spirit of nationhood can come only from the soil of the country itself to become part of the soul of the people. Canadianism can not grow from literature printed in the United States and designed to reflect and reinforce the American way of life.

Our respected neighbors never conceivably would have tolerated a situation in which nine out of ten magazines on the news stands across their nation were written for and printed in a foreign country--let us say, Great Britain. They would be the first to admit this; in fact then would boast of it. Yet, if Canada is to be so unperceiving of what can happen to Canadian opinion on matters of self-interest, if there is to be a progressively smaller group of publications edited by Canadians for Canadians and about Canada, the Americans can hardly be blamed for exploiting the easy opportunity to take an empire of resources by peaceful, prosperous absorption. We have not stood on guard for the most elementary and fundamental of Canadian interests--the means of informing ourselves about our own country and its welfare. We are

handing that job, too, like the development of so much of our industry and our services, to our enterprising, well-financed and efficient friends from the South. We read their literature while we become more and more their employees. The two circumstances are not unrelated. If there is to be a change of direction, it must come very soon or the only direct route to Canadian recovery of mastery in the Canadian household may be nationalization--which is another name for socialization with all that it implies. This would be wholly against the Canadian instinct, for we do not employ the harsh tactics of a formerly revolutionary Mexico or a Cuba. As a country we adhere strongly to the principles of freedom of enterprise with ownership of our corporations in other than governmental hands. But advocates of state ownership could quote loss of control of our machinery of production and distribution to a foreign country as justification for their policy.

I wouldunderline the fact , Mr. Chairman, I do not believe this will happen in Canada. Canadians would not accept it. It removes that possible radical solution of our problem of loss of control of our own economy and our own determination of our policies and our thought processes in this country.

TRADE FOLLOWS THE PRESS

It is no secret that in the United States, to an extent unknown in Canadian journalism, there is a close affinity between major periodicals and the State Department. Magazines of great circulation and interest in the United

States are encouraged to extend their influence beyond the United States. Washington looks with a kindly eye on such enterprising policies as those that have made "Time a world-wide magazine and "Readers Digest" increasingly international in its circulation. This is a projection of the American viewpoint in foreign countries at little or no government expense.

In Canada, these magazines are succeeding beyond their publisher's fondest initial expectations. Not only do they represent best-sellers on the news-stands but in their slightly amended forms which make them "Canadian these magazines apparently will soon be taking half of all the advertising moneys spent by Canadian advertisers to reach Canadians through consumer magazines.

We actually have had the humiliating experience in Canada of regional Canadian publishers being told that certain governmental advertising was not available to them or available only on a very limited basis because the Government was buying space so heavily in "Time" and "Readers Digest". In other words, Government was not unduly concerned by a situation in which its advertising advisors told it the best way to talk to Canadians, insofar as magazines were concerned, was through the press of a foreign country. This, too, is without precedent in international affairs!

At one time the adage was universal: Trade follows the flag. Today trade and international influence follow the press--or accompany it--into places where the skill of

highly competent and well paid American writers and editors establishes an almost subliminal mental acceptance of the United States viewpoint that, for Canadians who care about staying Canadian, is frightening in its implications. About eight years ago, after our magazine Western Homes and Living had been well launched and seemed headed for successful operation, we found a good many Canadian agencies were recommending that potential advertisers in Western Homes should use Readers Digest and cut down on all other Canadian magazine advertising. They were supported by the impressive argument of numbers. Moreover, in a period of rising costs of production, the advertiser and agency might be tempted to spend as much of the magazine money as possible in one or two places, with consequent economy in plates and staffwork. Moreover there existed the psychological advantage for these magazines wherein advertising executives in Canada could feel almost a part of Madison Avenue by signing contracts with such top name American publications for their Canadian accounts. At that time the writer, while sympathizing with the position of the Canadian space buyers, told the top Canadian executives of some of the principal Canadian advertising agencies that a Pandora's box of troubles was being opened. It was pointed out to them that if the American magazines came to Canada and took the cream off the Canadian advertising field with their great advantage of almost free editorial content, the Madison Avenue agencies would not be far behind.

This prediction has been fully borne out. It is completely natural for the advertising manager of any major company to wonder why, when he goes through all the travail of working out a major advertising campaign with a United States agency, he should have to do it all again with a Canadian agency, in order to reach the Canadian market. A soft drink, a car, a TV set or a can of soup calls for about the same advertising technique on each side of the border--so why do the job twice?

THE CHAIRMAN: Mr. Mitchell, would you mind if we recessed for lunch now. We will return at 2:15.

---Luncheon adjournment.

--- Upon resuming at 2:15 p.m.

COMMISSIONER BEAUBIEN: Page 6, I believe?

MR. MITCHELL: I will begin at paragraph 29, sir.

The movement of United States advertising agencies into Canada with branch offices to serve major U.S. accounts is in full swing. One could not say it was largely due to United States magazines entering the Canadian market for a still more important factor, of course, is the connection with the parent company, but when Canadian agencies felt compelled to reduce their business with Canadian publications in order to serve the Canadian versions of American publications, they reduced the peculiarly Canadian area of their functions and made that much more logical the conclusion in New York, Detroit, Chicago and elsewhere that if the familiar U.S. agency handling the parent account would only turn the crank a few more times, the Canadian advertising job could be done at much less cost.

In the advertising agency field, as with magazines, the almost irresistible economics of 11 to 1 - 180,000,000 Americans to 17,000,000 Canadians - operates to the advantage of the server of the larger number. One does not blame the American advertising agencies for rising to the new opportunity in Canada. A new channel of trade is opened and they become swept along in it or reject the chance

to take the opportunity at its flood.

We have seen the same pressure of successful example at work amongst publishers. At the time the so-called magazine advertising tax was applied by the Liberal government, numerous magazines, numerous United States magazines, I should say, were known to be seriously engaged in plans to copy the Time and Reader's Digest example. Those magazines had stolen a march on other publishers with their amazingly successful invasion of Canada. The Reader's Digest, which had never sold advertising before venturing into Canada, changed its rules and sold to the limit. The parent magazine followed its example. Time reported about gold mining in Canada but it found its own bonanza in the share of advertising it suddenly could command from what had been the field of support for native Canadian publications.

Incidentally, Mr. Chairman, I understand this might be challenged as for its strict correctness on the basis that somewhere, I believe, in a Latin American edition advertising was sold by Reader's Digest before it was sold in Canada. That was certainly not true of the parent edition in the United States.

Understandable, this rich strike in Canada would cause a fever of interest in other publishing offices in the United States. We may visualize the debates at many a policy session when management

would have to explain why it was not getting in on the Canadian advertising gold rush. Inaction could appear to be due to lack of enterprise and failure to have a plan to exploit Canada could be a basis for sharp questioning.

With the imposition of the relatively short-lived magazine tax the situation changed radically. Time and Life Canadian -- I am sorry, I must make a correction. That inadvertently crepted in here. It is not Life, but Reader's Digest. Time and Reader's Digest editions remained but, as pointed out in the PPA Submission, other magazines retired from the field. What is more important is that some major plans by other magazines were, I refer to U.S. magazines, "put on ice" and though doubtless examined from time to time, the present uneasiness in Canada about this whole situation is discouraging to decisions to publish Canadian editions.

This is by no means assurance to Canadian periodical publishers as to the future but it has kept the situation from worsening in that direction. Almost equally damaging in its effect on advertising volume available to Canadian magazines is the development of split runs by U.S. major magazines in which regions of the United States are defined for edition changing purposes. This permits an advertiser to buy space in the area or areas of his choice. For this purpose, Canada is treated as a region.

Increasingly, therefore, the effort is made to advertise to Canadians through United States publications rather than in Canadian periodicals.

No restraint on freedom to buy. Nowhere in the Canadian periodical publishing industry's case for consideration is there a suggestion that American publishers should be prevented from sending their magazines into Canada, that a tax should be imposed on their sale or that Canadians should be compelled to limit their free-ranging choice of international reading material in any way.

I think, Mr. Chairman, that that is widely understood in Canada, but perhaps not widely enough understood. There is no suggestion by Canadian publishers that there should be a limitation of the right of Canadians to buy American magazines or any other magazines they wish on their newsstands.

The problem is fundamentally one that arises from the fact that magazines live by advertising and not by circulation revenue. It is impossible for as large a slice as 43 per cent of the consumer magazine advertising expenditure of Canada to go to two United States owned and operated magazines -- Reader's Digest and Time -- without damage being done to Canadian magazines through economic malnutrition. This is particularly the case with respect to consumer magazines but it could happen as well to the presently profitable trade and industrial magazines were Canada

to be obviously a happy advertising hunting ground for Canadian editions of American magazines.

Inequality comes about chiefly through the fact that with the best will, initiative and skill in the world, no publisher in Canada can hope to overcome the advantage of his American opposite number if he must produce and pay for a Canadian editorial content based on the economies of his Canadian edition, serving a country of 17,000,000 while his American competitor gives to his Canadian edition, virtually for nothing, you have heard the figure of 5 per cent quoted, a readymade magazine whose editorial budget was big in relation to its market in a nation of 180,000,000. The saving goes into advertising promotion, sales staff, etc. on a scale that literally swamps the Canadian magazine.

In the face of this kind of competition the splendid achievements of magazines like Maclean's and Chatelaine are worthy of the highest praise. Canadian publishers, on the whole, have met the situation with energy, effort and imagination, but it is, for the most part, a rearguard rather than an advancing action. The other side has bigger guns, greater range, more mobility and more money to provide still more of the same.

It should be a matter of deep national concern that in the past ten years we have lost several general circulation consumer magazines but have seen

no new ones started to replace them in a growing country. This moribund condition of the periodical press does not yet extend to the business magazine field but this Commission would do well to determine what consumer magazines would still exist if they were not published in association with business magazines. As one of our group of magazines, Western Homes and Living has survived and made a contribution but it could not do so alone. The same amount of thought, production and budget put in an industrial or business magazine in a like period, undoubtedly would have been more remunerative to us. Yet it is a fact that our home magazine is by far the best known member of our publishing family and enjoys a loyalty of readership in this province which an independent survey firm studying reader attitude three years ago described as quite unique.

Whereas Western Home and Living could not survive if published alone, it is likewise the case that our magazines as a whole are made possible by our operation in commercial printing. As a firm, we should prefer to be only periodical publishers -- we started that way, Mr. Chairman, we did not start in the commercial printing industry -- but in this area and in the general situation of the periodical press, it became necessary for us to handle a wide variety of commercial printing and lithography. Although we have done successfully, it is a matter of absolute

economic necessity.

Our experience roughly verifies the adage of business magazine publishing in the United States that on the average it takes about ten years to build a magazine from an idea to a profitable operation if it is in the normally competitive circumstances common to publishing.

No firm has shown more initiative than has Mitchell Press in establishing new magazines to lay the foundations for a Western-based publishing house, but under existing circumstances in Canada, we would not be attracted to widen our front in advertising-supported publications. Whether or not further United States magazine competition will force us out of any fields remains to be seen but the difficult position of a small and relatively marginal operation on the Pacific Coast in the face of abundantly-financed major foreign opposition will be apparent.

In business, growth should be normal if the organism is healthy. Sheltered growth is not wholesome or enduring. Thus competition -- even severe competition -- is helpful to any sound organization, regardless of what field it is in -- but when, as is sometimes the case, some daily newspapers, not yet financially affected by any similar struggle in their field, advise Canadian magazines to do better than American competitors or go under, it is equivalent to expect the lightweight,

on a starvation diet, to knock down the world's champion heavyweight or admit he is not worthy of being kept alive.

Conclusion. The findings and recommendations of this Commission may decide whether the pathetically few remaining consumer magazines in Canada will be reduced almost to the vanishing point while virtually the entire field of magazine presentation and comment is through economic pressure abandoned to the media of another country. Should that happen, it would make immeasurably more difficult the retention and upbuilding of a distinctive spirit of Canadianism. As a country, we will have lost an important voice -- one that is dangerously weakened even now to the extent that some publishers hesitate to speak out individually for fear of punitive results. I believe this fear is groundless because I cannot believe that any patriotic American would fail to understand patriotism in a Canadian doing and saying precisely what he would do and say were the United States in the same situation as Canada.

Nothing so simple as tariffs or a national subsidy to spoon-fed Canadian publications can be advanced as a solution for the problem here outlined. Canada is a trading country and cannot set an example of tariff building. A subsidized periodical press would be unthinkable.

But in a number of directions having to do

with the offsetting of unfair advantages enjoyed by U.S. publishers in postal rates into Canada and in other directions this Commission will have territory in which to work.

There can be no suggestion of forcing Canadians to read inferior publications simply because such magazines are Canadian. Canadian magazine quality must be high. But somehow a way must be found by government to discourage further deep inroads being made by foreign periodicals into the limited pool of Canadian advertising dollars so that this country will not be witness indefinitely to the weird spectacle of financing indoctrination with a foreigh viewpoint using Canadian dollars withdrawn from economic support of truly Canadian media of expression.

EXHIBIT NO. V-2: Submission of Mitchell Press of Vancouver Limited.

EXHIBIT NO. V-3: Bundle of magazines

EXHIBIT NO. V-4: Publisher's Statement.

EXHIBIT NO. V-5: Letter from Professional Photographers' Association.

That, Mr. Chairman, concludes our final submission to the Commission. With your permission may I supplement that with some oral comments?

THE CHAIRMAN: Yes.

MR. MITCHELL: May I also point out that Mr. Lawrence Ecroyd, who is the assistant publisher of the Mitchell Press is with me. I would ask also he be allowed to supplement the remarks within his area of special knowledge in our operations.

Mr. Chairman, since the brief was prepared there have not only been second thoughts and more amplified study, but the opportunity to read in the press something of the reports and the submissions and the business and procedure of this Commission. This has inspired any supplementary remarks I have to make.

We have had it pointed out before this Commission that some of the concern that is felt should be mitigated by the fact that two other publications, Weekend and the Star Weekly have been strongly circulated in Canada, and apparently, especially in the case of Weekend magazine are financially successful.

I think it is quite correct to say that as a C nadian publisher I reflect the viewpoint of most Canadian publishers by saying these are Canadian publications indigenous to Canada and they are fair competition. We do not even remotely suggest they should be hobbled in any way in our interest. They are true expressions of Canadianism. I think we can wish them luck.

Strictly speaking they are not magazines, as we have come to know them in Canada. They are both the outgrowth of daily newspapers. They are increasingly operating in magazine form. For my part, I recognize that they do a useful job in Canada.

We are accustomed to severe competition domestically. We are enured to that through many

years of operation prior to the incursion into this area of the United States based publications. Anything that has been said in that respect, I think, should be clarified by saying that we have no quarrel whatsoever with a Canadian based form of competition with existing periodicals.

However, this might also be pointed out: neither of these publications support any further expression of Canadianism, apparently. We hear of no plans to extend their operations in that respect; whereas, in the Canadian periodical field the major firms and some of those which might be classed as minor, perhaps, are through their business magazine operations able to provide the financing or, be the subsidiary source, if you like, that we talked about this morning, so necessary if we are to have magazines generally described as consumer type magazines maintained and successfully surviving in Canada. This source of subsidy must be the most logical subsidy for a Canadian publication. I, for one, cannot be enthusiastic over the idea that some millionaire, someone outside the publishing industry altogether should maintain the consumer magazines as a luxury item and a hobby. He should certainly not be excluded from that if he is genuinely and greatly interested in the field, but to do so as a matter of Canadian pride is not a sound reason and is not a good reason.

We have the instance of Reader's Digest claiming because of its existence it promotes advertising for magazines in Canada.

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One could, I suppose, make a case both for and against the effect of that on the existing Canadian publications. On balance,, the Canadian publishers who are affected by this certainly do not think it is good for them.

Reader's Digest advertising among other things is in a much smaller format and size, and it is not too economic for Canadian magazines for whose present format and size they have bought the machinery, and it is quite expensive machinery; it does not well adjust. In other words, it is scarcely economic for a large-page Canadian advertising media in the consumer field to be scaling down a considerable part of its advertising support to the Reader's Digest size of advertisements.

We have seen in ten years 33 per cent -- I believe it is for ten years that this competition has existed -- of the available Canadian advertising dollars go to only two magazines. We must, in realism, be aware that it would not take another ten years of the same trend for the Canadian media of expression to be extinguished.

This would be a hastening process as the severity of their position became more debilitating financially to them.

I come back, if I may, to this position that our business magazines finance our home magazine and we are neither remotely interested in stopping anything else in the field of general magazine circulation for financial reasons, nor are we encouraged in the face of all that we have seen in Canada, in developments in Canada, up to the

time of the appointment of this Commission, to believe that it would be wise to venture any further into the field of business magazine publishing - and that, I think, is too bad. I think business magazines, being what they are in Canada, being valuable as has been already indicated to this Commission, should certainly be assured of all the Canadian support that it is possible they could be given within the bounds of good Canadian policy.

In other words, Mr. Chairman, gentlemen, we are asking only that there should be some prevention of the overwhelming of Canadian publications and not that there should be a position of unequal advantage given to Canadian competition in a complete reversal of to-day's position, but it is not enough merely to halt this action in Canada, this invasion of the Canadian field. Somehow we must restore the attractiveness of the periodical field financially.

I may be a little on dangerous ground here, Mr. Chairman, and you will stop me if I am, but I will not have another chance perhaps to rebut anything that was said by our distinguished publisher from Victoria this morning. However, I do not wish to transgress your rules of no rebuttal, but I would venture to say that we do not see Canadians of the type of the very eminent citizens, Messrs. Max Bell and Sifton, who are outstandingly successful financially and in the newspaper field, following up the opportunity or even the duty that Mr. Keate depicted this morning as existing in Canada for

men of imagination and capital. I hope that we may be able to persuade one or both of those gentlemen to finance some media of expression in Canada so that down on this lower step of the newsstands there can be, instead of two or three Canadian publications, a respectable number.

This morning we heard - and I am sure that the implication of it would not be lost to this Commission - of the existence of some thirty stringers, so-called, of Time's organization in Canada, and that is pertinent to our problem to a degree; and I think that is not unfair or unworthy of mention. With all of its resources, Time and Life Inc. does not see fit to put into Canadian principal cities full-time, paid correspondents of its own, although obviously it has the means to do so. Instead it has in certain Canadian publications men who not only supplement their income but, as Mr. Keate has said, in some instances up to $6,000.00 a year maybe derived more than the daily newspaper pays them.

THE CHAIRMAN: Mr. Mitchell --

MR. MITCHELL: Am I transgressing?

THE CHAIRMAN: We have set aside a time for rebuttal. We have a very heavy schedule here in Vancouver. What you are saying now is rebuttal. This will all come up later on.

Thank you very much for your presentation. Now I would like to ask you one question.

You say in concluding your brief that nothing so simple as tariffs or a national subsidy to spoonfed

Canadian publications can be advanced for the problem here outlined. But then you go on to say that something must be done to stop this tide which is running against our Canadian publications. Have you anything in mind yourself?

MR. MITCHELL: I rather hesitate to enter into this field in which the Periodical Press Association is, as I understand it, to make specific suggestions. However, it is perhaps not fair to pose a problem without making some effort at least to indicate solutions. I am by no means an authority to do that and I believe on the permanent staff of the Civil Service there are many men who are many many times more competent to indicate the probable solutions for a deep-seated Canadian problem than is a Canadian publisher, and naturally I speak with a degree of prejudiced position.

However, I would stress this. In what is called the "overflow" circulation of magainzes coming into Canada, we may find it necessary in Canada to consider the possibility that the advertising content of those magazines will be treated or considered as advertising material not unlike printed advertising material coming in without supporting editorial material; that in the area of magazines printed outside of Canada, within the framework of Tariff Item 178, and without introducing any new tariff revision, but only in the interpretation, it may be found that there is an opportunity to equalize to some degree the positions of the two categories of publications in Canada; that in the case of magazines printed in Canada,

unless they are of a predetermined and stipulated Canadian editorial content, they should perhaps not be regarded as Canadian and that those that are Canadian only should have the privilege of the second class postal rates on their promotion material which goes out to stimulate or produce circulation.

I also think, Mr. Chairman - and I have never been able to understand why this has not been done by the Canadian Government - that there is an area in which the Prime Minister of Canada, working on the level of a Prime Minister with a President, could not discuss frankly what is an intolerable situation in the interests of Canadian - United States amity, and that there could be a meeting of minds on that level which would quite possibly alleviate this situation or which at least could prevent the further stampede, one might say, of American publishers in to stake out positions in the Canadian field if Canada is considered to be wide open territory.

I think those are the four areas in which I would suggest that more research can be done. I do not believe that I am capable of precise and specific definition of where it should start and where it should end.

Mr. Chairman, may I make one further comment with regard to the publication of books because I believe it has something to do with this question of Canadian consciousness? As I said earlier in my brief, we have ventured into the production of books. We have published in the past two years here six titles all dealing with historical subjects in this region. They are as various as the

story of the Skeena River area, the history of the Anglican Church in its pioneer missionary work in Canada, the history of an outstanding cattle ranch, the fifty years of history of Prince Rupert and, just off the press, "Cross in the Wilderness", Until we went into this field it was more than likely that any book on history concerning British Columbia would be published in Portland. Portland has done an outstanding job for historical publishing for the United States' North West and for British Columbia. We have instances of some very highly valued relics of our early history going to Portland, going to Oregon, because the people there were so much more conscious of our history than were we. We think that is a contribution to Canadian understanding here in this region and that any people who have not a sense of history cannot have too much sense of future direction, and that to the extent that our home magazine is supported by our business publications, it could almost equally be said that this has been made possible by the same thing because our profit on these books is still in our inventory. We expect to come out and I think we will make a profit on them, but it is still in our inventory. We have about six more books that we plan to publish next year.

In the first place, these are books of Canadian authors, I hope we will publish other books, but it introduces them to the hard-cover field, and in that respect is helping them pioneer as we pioneer. That is an area which too would be threatened if we were forced to back up and back out of any of the territory by the same kind of competition coming into the business magazine field as have come into consumer magazines, and is perfectly feasible to do.

May I suggest that Mr. Ecroyed may answer specific questions, or supplement it with remarks of his own.

THE CHAIRMAN: Mr. Johnston has some questions, and you can determine which of you chooses to answer.

COMMISSIONER JOHNSTON: One of the things we heard from one of the participants in Ottawa was that they couldn't get visibility on the stands. I got the impression that they couldn't afford to. You have a very attractive cover on the issue of Western Homes that you filed. Would you mind telling us how much that cost you?

MR. MITCHELL: The cover, or the magazine?

COMMISSIONER JOHNSTON: The cover?

MR. MITCHELL: We produce it in our own plant, and it costs considerably less that way. Cover and all of the magazine costs, say about seven and a half cents a copy, and we sell it for twelve and a half cents to the newsstand, so we depend on advertising for revenue.

COMMISSIONER JOHNSTON: I run into this all the time. The matter of whether you publish the magazine because it is a printing job and therefore helps your overhead in your printing office, or whether you do it for prestige, or is it both?

MR. MITCHELL: I am afraid I have got past the point where I am interested in publishing anything for prestige, because it does not pay our employees. I think we have to say that we have not yet found having ventured into that field that it would pay us to drop a magazine like Western Homes, although it couldn't stand on its own feet. If we were to sell our business keeping only Western Homes and Living, I don't know which way I would turn to keep it alive.

COMMISSIONER BEAUBIEN: I don't know whether you can answer the question, but maybe you can take an attack at it? What do you consider your most serious competition? Would you say it was overflow from magazines from over the border, or Canadian editions of some of these magazines?

MR. MITCHELL: I would say it is the Canadian edition of two magazines. Overflow does not affect us as seriously, because even though we cannot get a position on the newsstand to display it and sell relatively few on the newsstand, we can send all the magazines we wish by subscription, and don't dare sell all we could. In other words, we are not prevented from taking readers. They would be economic poison to us, because we would not get the amount of advertising to support it, and would die of circulation prosperity.

COMMISSIONER BEAUBIEN: Do you not think you are a little pessimistic with regard to the very solid foundations of your business publications? Don't you think there is sufficient appeal from your reading public on business magazines, that you don't have to fear outside competition?

It would be difficult for a publication based in the United States to fulfil a need filled by local or regional business magazines?

MR. MITCHELL: We would certainly argue about any Canadian edition of a publication of that kind that it was not covering the Canadian field, but would perhaps not be wholly successful in our argument in the advertising agencies, which is where it counts, because as you know they can by means of direct controlled circulation determine how much they will circulate in any given area, and mail that many and if they mail more than ten per cent of a native publication in that region, they could say to advertisers, we are dominant in that field and have more circulation than the Canadian publication in that field. That has not happened to us yet, but it could. I think we are not too pessimistic in being apprehensive about the security of the business paper foundation of income.

COMMISSION BEAUBIEN: Would you say that you were getting fair treatment from the distributing agencies in Canada who are handling your magazines?

MR. MITCHELL: We are speaking only in this case of our home magazine in British Columbia, because our other magazines are mailed and are not newsstand publications. We are talking of a circulation, 2,000 out of 18,000 is newsstand circulation. Occupying the positions which we have done on the newsstands, we have had a very high percentage of returns from that source, and it has been discouraging to us to put them out and bring them back. We have instead concentrated on subscriber circulation and

can get all we want of that. We are being relegated perhaps for business reasons which make sense merchandizewise, and we have no chance to reform that, because the positions are staked out on the newsstands, even with the placing of tags to indicate where each magazine goes. We don't sit in on the discussion which decides this. It is done by several large distributing firms and publishers, and we are not in that category.

COMMISSIONER JOHNSTON: Who owns these distributing agencies?

MR. MITCHELL: The distributing agencies, one I believe is Curtis. Another one American News. In Vancouver the Vancouver Magazine Company, which is locally owned.

THE CHAIRMAN: Thank you very much.

EXHIBIT NO. 6 - A bundle of hard-covered books.

MR. SHAW: I am General Manager of Construction World in Vancouver, and also Manager of Miller Freeman Publications in Canada. First of all, I would like to say how much I appreciate the opportunity of appearing before you, although we are not filing a company brief as such. However, I discovered that I was expected to appear, so I thought I had better get busy and prepare a few notes which I will be glad to read..

When I was asked to appear before the Commission I hesitated for two reasons. One was that Construction World, the magazine which we publish here in Vancouver and

and of which I am general manager, has no problem other than the normal ones that any business encounters; the other was that Miller Freeman Publications, whose operations I also direct in Canada, is an American corporation owning about 14 industrial and business journals in addition to Construction World, most of them published in the U.S. I am therefore in a rather awkward or peculiar position. Construction World is a member of BNA and as such goes along with the major objectives of the BNA for a strong Canadian business press. But naturally I cannot escape being also interested in our company's other publications, most of which are circulated, on a relatively modest scale, in Canada.

In writing the Commission November 7 I stated that our own feeling respecting the competition of U S. business papers with those of Canada was that restrictions, by tax or otherwise, on U.S. business papers, or similar publications from other countries, entering Canada, woudd be ill-advised. I also stated that such restrictions could be regarded only as unjustified interference with the free flow of useful information between friendly countries and that the effects would in the end be harmful to Canada.

I believe that in this field the interest of the reader should be paramount. You cannot compel readership by legislation, and by the same token it is difficult to conceive of any fair and workable means of restricting readership -- by law. The reader should have free choice of material and this holds true particularly in respect to the sort of material provided by the

business press, regardless of its country of origin.

When we read business papers we aren't seeking entertainment but knowledge that we can use in our business. To curtail the opportunity of Canadians to read business papers published in the U.S., or anywhere else for that matter, would in many instances, in my opinion, deny them access to technical and semi-technical information on machines, techniques, management and operational procedure which might enable them to be more effective in their day-to-day duties.

Certainly without access to that information, regardless of whether it was written primarily for U.S. consumption, Canadians would be at more of a disadvantage than even in meeting whatever competition there may exist from U.S. business and industry as a whole. Canadians, and not the U.S. publishers, would be the principal losers.

So far as competition from U.S. business papers in advertising is concerned, I believe that Canadian publications can easily hold their own, as they are now doing, provided that they are willing to perform a good job for their readers. Never before was editorial quality such an important factor in selling advertising space as it is today. I know that in our own case with Construction World there are more than 40 construction journals in the U.S., but not one of them can be regarded as a competitor in that they deprive us of advertising, except in the broad sense that the more

journals there are in the field the more the available advertising dollar has to be whittled down.

One argument used against the U.S. trade press in Canada is that it makes Canadians familiar with U.S. trade names to the detriment of Canadian manufacturers. This may be true, but I suggest that if the distribution of U.S. business papers in Canada were to be sharply curtailed by one means or another the Canadian publications would give the same kind of exposure to U.S. trade names by reason of the fact that the Canadian business papers are largely dependent on advertising from U.S. companies or their subsidiaries.

The big advantage that is enjoyed by Canadian business papers over U.S. business papers in Canada is that their location makes it possible for them to give intensive, specialized treatment such as the U.S. and other foreign press, trying to cover a much broader territory are unable to provide.

That is all I have.

THE CHAIRMAN: Thank you very much, sir.

COMMISSIONER JOHNSTON: I have just one question. Actually, it is a comment. Never at any time has there been any suggestion that the Commission might bring in a report that would sharply curtail available information from any other country in the technical field. Would you agree with that, from reading our terms of reference?

MR. SHAW: Yes, I think so. But, there were some references in the published reports of the sessions in Toronto where there was some indication that business papers from the United States were unfair; at least, that is the way I read them.

THE CHAIRMAN: Thank you very much.

Submission by the Pirate Magazines.

MRS. HANLEY: The present situation in magazine competition in Canada recalls the English buccaneers of the first Elizabethan age preying on the Spanish galleons. A rich harvest they are reaping, not only in profitable circulation, but in subsidiary profits. Whoever thought that Canadian editions up deserves to be interned for life.

One great weakness of Canadians has been their failure to promote their own assets. For years they have cast longing eyes on far away fields. This is no doubt a heritage from their ancestors, the homesick United Empire Loyalists and other immigrants, who constantly regaled their children with the wonders of the land they had left. Each generation repeated the glowing facts until they took on the charm of folklore. Hence this madness for United States' institutions including the tinsel of Hollywood.

The Chinese have a saying: "Love thy neighbour, but don't take down the fence". Not only have we taken down the fence, but we have taken our neighbour to sleep with us. Of course Unlce Sam is a very friendly neighbour. Consider the Ashburton Treaty, the Alaska panhandle, the San Juan treaty and more recently the Columbia River power and the Pacific fisheries.

Now the whole magazine situation under the present pernicious arrangement is gathering force

like a snowball that is perilously near an avalanche. Not only is it destroying the few Canadian magazines we have left, but is now making inroads on the general advertising field.

Have we no recourse? Apart from the literary value of magazines, they have become a commodity and as such they should be treated as any other commodity. In that case is it not a fact that the present privileges accorded foreign magazines actually contravene the tenets of the British North America Act? The object of the Founding Fathers was to protect our infant industries from unfair competition. If ever an infant industry needed protection it is the Canadian magazine industry of today.

And mark you these U.S. magazines that are sold to Canada today, with special privileges amounting to subsidies, generously offer only a small percentage of their space to Canadian writers. Can you imagine any U.S. magazine advertising the fact that it wants less than 100 per cent space for its own writers?

The magazine situation even in its blandest seasons has always been a nightmare to Canadian authors. And since we have had these tariff orphans from another country it has grown worse and worse. Had it not been for the work provided by Canadian newspapers, Canadian writers would have starved. You may tell me Canadian authors are not so good as those from other countries. That my dear sires is rubbish! Canadian books and

stories are sold all over the world and many have been translated into other languages.

Perhaps you think Canadians would not read their own magazines. We have proof in British Columbia that they do. In 1946 the Native Brotherhood of B.C. launched a magazine for their own needs called The Native Voice. As time went on it grew until a large part of it dealt with the folklore of the B.C. tribes. A different magazine, but truly Canadian. That interested Canadians. About the same time there was started at Quesnel the Northwest Digest. A wholly Canadian project it began on the proverbial shoestring, but with dedicated editors. It has now vindicated its existence. It specializes in north country development, its history, products and the stories of the Cariboo gold trail. This magazine is eagerly watched for. I believe Sir Winston Churchill is very annoyed when his copy does not reach him.

Here is a magazine all B.C. all Canadian, one might say. And it is in demand. Of course, for its interest it demands no naked ladies, no men in bikinis. In the Cariboo days human displays were outclassed by human needs. These old timers were inclined to be prudish, probably because x-rays had not been discovered to reveal the possibilities. Now without meretricious detail and with perhaps some crudities, their stories fascinate bored moderns.

But this represents a very small part of the

Canadian magazines that have vanished. Something must be done, but what? It is long ago too late to bring back the magazines that have perished because of this pernicious regulation. Yet some effort must be made to rescue our own institutions from here on. Whatever is done, there is no doubt it will involve subsidies, that rather lame method of rescuing an industry. But as between subsidizing foreign magazines as we are doing today and our own tomorrow it might better be done.

To start a new all Canadian magazine to promote Canadian history and ideals, one that would cover the whole country, and please a certain proportion of the readers, might be too large a proposition for a country which has had its light under a bushel for so long. To supply an editor for such a magazine might be a Herculean task. He would need to be a sort of super man.

There is a way that might be suggested. Canada has a number of small magazines such as those of University, church, trade, state, etc. some of which approach the place of the digests so popular just now. In this province the Trail Smelter puts out a magazine that might easily be expanded into that digest class. The pulp and paper trades put out well finished magazines. I do not need to name them. You all know them.

On the Atlantic coast there are at least two

university magazines that are almost general magazines. I refer to the Dalhousie Gazette and the Queens' Quarterly, the Atlantic Advocate recently started (probably heavily subsidized as are the university ones) might be expanded into general magazines. Quebec of course with her difference in language is more or less safe from competition. What an advantage would have been ours if after the fall of Quebec, French had been made the official language! It would have saved a lot of trade worries as well as others.

But something should be done about advertising and soon. The tail long ago began to wag the dog. At the present moment hos much advertising a magazine carries is decided on its circulation I believe. In all fairness it should be decided on the literary content at least in the case of liberary magazines. Today we are being smothered in advertising, and I might say deafened and blinded too. We talk about the danger of motor cars on the roads, but what about motor cars in magazines? They dominate everything at a tremendous waste. One of the dangers of promiscuous advertising is that it does not reach its markets and thus becomes a waste. For one person that it catches there are hundreds that it does not, a waste not only to paper but to effort.

We have become martyrs to advertising. And

in that connection attention should be directed to the book clubs now functioning in this country. They have long ago outlived their first usefulness and now have become little else than an advertising racket, smothered in paper. So you see eternal vigilance in all directions is the price we must pay to escape the smothering embraces of our so kind neighbours on the south.

EXHIBIT No. V-7: Submission by Pirate Magazines.

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COMMISSIONER JOHNSTON: Mrs. Hanley has expressed herself so precisely and clearly I do not see a need for any questions on my behalf.

THE CHAIRMAN: We want to thank you, Mrs. Hanley, for a most arresting and stimulating submission.

MR. QUINN: The next submission is of Mr. L. C. Way of the Magor-Way Press Ltd.

---Short recess.

MR. PITFIELD: Would you identify yourself?

MR. WAY: Leslie Way, Vice-President of Magor-Way Press Limited of Vancouver.

SUBMISSION
BY LESLIE C. WAY

APPEARANCES

L. C. Way Vice-President of Magor-Way Press Limited

MR. WAY: Mr. Chairman, Commissioners, following Mrs. Hanley, I am afraid, is like following Jack Benny or some famous star. I trust I will serve the purpose of appearing here.

The written submission that I placed with your Secretary I would like to add to with three or four preface observations, if I may, Mr. Chairman.

The subject of the Commission's enquiry is, of course only one phase of the overall question of economic encroachment and influence on Canada by our enterprising American cousins.

My company publishes three country newspapers in this province, in addition to a National monthly trade magazine for Canada's rural press, and a provincial business magazine in the forest industry.

I am what is known as a small publisher - but even though being small, I seek no outright government paternalism of the press. At the same time I am one of those who believe in a free-wheeling economy PROVIDED there is equality of opportunity and equality of those factors which make for opportunity.

In considering the importance of Canada's trade magazines, one must not be impressed solely with the factor of large circulation, in gauging a magazine's influence. In my own case, our country newspaper journal has a total circulation of only some 1500 across Canada - this being the

number of rural newspapers and kindred operations in Canada. Yet the newspaper men and women who read our magazine influence upwards of 8 million Canadians who are readers of their newspapers.

I will submit this magazine as an exhibit with the Secretary.

I would also make the observation that the success of a Canadian periodical is not to be measured in MONETARY terms alone. For those of us in the publishing field who are NOT trying to be the richest millionaires in the graveyard, success is also measured in pride of achievement as Canadians, and the satisfaction which comes from serving Canada and our fellow Canadians in our chosen field of enterprise.

To avoid duplication, this memorandum does not attempt to express the same viewpoints as those which have been submitted before earlier hearings of the Commission by publishing and graphic arts groups. They, undoubtedly, have adequately stated the case for the Canadian publication industry in terms of the dangers to the industry and to Canadian culture which are inherent in uncontrolled foreign encroachment.

Since the terms of reference of the Royal Commission relate to "the cultural and economic position of, and prospects for, the Canadian periodical publishing industry and its allied arts and industries", it is presumed that the studies are concerned with the development and successful maintenance of Canadianism, Canadian culture and Canadian unity through Canadian periodical print media.

This presupposes the need for the encouragement of Canadian publications, economically and otherwise, which will accomplish that objective. Such publications embrace varied fields - e.g: business, professional, educational, consumer, the arts, etc.

It is my personal conviction that the now-rescinded 20 per cent. tax on Canadian advertising in foreign publications, imposed in 1956, was both ill-advised and ineffective. Any form of tax levy on any form of advertising constitutes to my mind a dangerous threat to the Freedom of The Press. Further, it is inconsistent inasmuch as if there is justification for such an impost on advertising service, a like principle and policy should logically apply to other forms of foreign services offered to Canadians. At the time the 20 per cent. tax was legislated, I wrote in one of my own publications, in opposing the tax principle, that such governmental action could not help but "place the intended beneficiaries (Canadian publications) in the iniquitous and untenable position of being at the mercy of the legislators" - and further, that this danger, while not anticipated under our present democratic party governments, could become a real threat under "a government possessed of something less than democratic motives (which) could use this tax as the instrument to keep in subservience magazines whose policies run counter to the government of the day... the freedom and independence of the Press are at stake in this issue." My convictions thus expressed in 1956 were (and still are) concerned not so much with the likelihood of any present day danger, but

the dangerous precedent thus established for possible future dictatorial control of the Press at the whim of non-democratic government leadership.

The economic factor stands out as a major influence mitigating against the success of certain Canadian publications as well as those and I stress this phrase which otherwise might well be transformed from the "brainchild" to the reality stage.

If this be true, would it be feasible for facets of the Canadian publishing industry which are possessed of merit to be assisted financially, in some manner, by the Canada Council in the interests of Canadian culture, Canadianism and Canadian unity? Such assistance could well require that ultimately successful enterprises so assisted reimburse the Council under specific terms and conditions.

Secondly: the present "tight money" policies make it practically impossible for publications of merit and integrity deserving of development financing to obtain loan requirements through normal banking channels; furthermore, the federal government agency, Industrial Development Bank, is likewise unable to assist them under the restrictions of its Act of Incorporation. It is therefore humbly recommended that the Government be urged to adopt such measures as may be necessary to extend the authority of the Industrial Development Bank to include consideration of publications as such under the terms of its financing ability.

Finally, it is recommended that study be given to the

principle and policy of foreign publications circulated in Canada under the guise of being a Canadian product being required to conduct their entire operations on Canadian soil on a basis equal to that of Canadian-owned publications.

Thank you.

COMMISSIONER JOHNSTON: Mr. Way, what are the names of your weeklies?

MR. WAY: The Prince Rupert Daily News, The Cowtichar Leader Duncan and the Marpole - Richmond Review at Richmond.

COMMISSIONER JOHNSTON: Between 1956 and when the Tax was repealed, did you see any indication of the Government trying to influence the

MR. WAY: No sir.

COMMISSIONER JOHNSTON: You think that under our Constitution that the Government could censor the press - certainly with the BNA Act.

MR. WAY: Not when you put it that way, sir.

COMMISSIONER JOHNSTON: Is there any other way to put it?

MR. WAY: I think there are individuals in any country in the world who would try to violate the Constitution if they got in power.

COMMISSIONER JOHNSTON: There was the Alberta Press Case, wasn't there?

MR. WAY: Yes, sir.

COMMISSIONER JOHNSTON: What happened to that?

MR. WAY: It was thrown out.

COMMISSIONER JOHNSTON: You mentioned publications

of merit should perhaps be helped through the Canada Council or something like that. Who is going to choose those publications of merit? I am one of your subscribers. I am good for one vote anyway.

MR. WAY: I am not speaking of my own publications for one thing. I said I was a small publisher. I am quite happy to stand on my own feet against competition provided there is equal opportunity. I would say I am not against publications, and I am speaking of those in our own field, of American publications coming into the country and seeking advertising here provided some measures are taken enabling me to stand on equal footing with them on Canadian soil.

The other publications I am talking of are publications particularly in the field of education, art and, perhaps, the sciences that cannot grasp the advertising dollars in a number of years, until they have proven their worth. The business or commercial magazines go out and by hard work sell advertising, as you well know, sir. The more intransient type publications take longer for the resulting advertising to come. I think that is a fair statement when you look at some of our educational magazines struggling to get advertising.

COMMISSIONER JOHNSTON: Are they American, U.S. publications, struggling to get advertising?

MR. WAY: No, I am referring to the few that have started and gone the way of the flesh in Canada over the past twenty-five years that I have observed. One in British Columbia alone, a counter-part of Reader's Digest

called The British Columbia Digest, a very fine magazine operated for two or three years after the War interpreting British Columbia to British Columbians and Canadians. I think it had a fine chance of succeeding if it had had the financing to carry on over the period of its birth pangs. It was just starting to grasp advertising of merit when it folded up because the boys didn't have the means to finance it.

COMMISSIONER JOHNSTON: It is always sad to hear of such a magazine passing. Of course, I think that what we need in this country, basically, is more population.

MR. WAY: Not necessarily, sir, if I may disagree. I think we have a population for trade magazines and there are a number that are required in Canada, but the little guy hasn't the chance to finance them to-day under to-day's present conditions. I am speaking now of to-day. We are dealing with issues of to-day in this present Commission, in this enquiry. This is where the magazines right now are being strapped, encroachment taking the advertising dollar in various fields. I think some form of economic encouragement is needed as long as it is not Government paternalism.

COMMISSIONER JOHNSTON: Do you remember the tax that was on in about 1932, the tax on advertising content on magazines?

MR. WAY: Not on the magazines, I was only in the newspaper business then.

COMMISSIONER JOHNSTON: Do you remember that the Saturday Evening Post was ten cents in Canada?

MR. WAY: Yes.

COMMISSIONER JOHNSTON: That was due to the tax on advertising. Would you think anything of that kind might be practical or useful?

MR. WAY: I don't like to see advertising taxes in any way, because if you are going to tax advertising why not tax dental service?

COMMISSIONER JOHNSTON: There is a tax on advertising material. That is important; that is fair.

MR. WAY: That is printed material, yes.

COMMISSIONER JOHNSTON: Saturday Evening Post is printed material.

MR. WAY: My point is that that kind of advertising material which is presently taxed in Canada is not an integral part of the freedom of the press and expression that goes with what we call page advertising, newspaper advertising or magazine advertising. I think there is a classification there under the regulations of Canada.

THE CHAIRMAN: Take any magazine in Canada and let us assume that 75 to 80 per cent of its total net revenue derives from advertising. It pays taxes on that net revenue. Upon what is it paying the tax but advertising?

MR. WAY: Well, that is correct, sir, but it is tax of profit.

THE CHAIRMAN: Advertising agencies are concerned solely with advertising, selling it for newspapers, transferring it for newspapers. They pay taxes; they pay a separation tax of 50 per cent and then an income on their personal incomes derived from advertising. Why should advertising in a certain form be sacrosanct?

MR. WAY: May I answer in this way?

THE CHAIRMAN: I know what you have in mind; go ahead.

MR WAY: In my brief I referred to tax being placed as a benevolent factor, as a paternalism to Canadian publishers. I say that was wrong because a government in the future (which may not be a democratic form of government) can say, as long as it is on the statutes, "Unless you stay in line with us and interpret government policy in the way we want you to interpret it..." - then this is a threat.

THE CHAIRMAN: You know about anti-dumping laws. If the advertising is being dumped in this country or brought in under some dumping principle, what is the difference between advertising and any other goods brought in under this?

MR WAY: I do not suppose there is very much difference.

THE CHAIRMAN: Advertising seems to be surrounded by some aura of virtue - "We must not touch it." If it is dumped into this country and is doing some injury to some corporate citizen or to some citizen in Canada, why should not the state interfere with it? What has the freedom to do with all of that, for goodness sake?

MR WAY: That is exactly my submission. I said the state should interfere with that form of advertising by putting it on an equal basis with Canadian publications, on the Canadian-owned, the

Canadian-edited and Canadian personnel basis. I have no quarrel with that at all, if we are trying to arrive at equality of opportunity for Canadian publications.

THE CHAIRMAN: What is the first law of justice in a state, in a society? Is it not that one citizen must not be permitted to have an unfair advantage over another or to do him an injury? If to secure that kind of justice you have to put a tax on advertising in any form whatsoever, what in earth is wrong with it? This venerable and sanctified cry about press freedom is brought in, but when you try to relate it to reality it does not have any substance, it seems to me. I have been hearing this cry all my life, mind you, and I think it rings a bit hollow sometimes.

MR. WAY: I simply perceive a future danger to it, that is all.

THE CHAIRMAN: All life seems to be a danger these days. If we stop to think about all the future dangers we will not get very far.

Thank you, Sir, very much for coming along.

EXHIBIT V-8: Brief of Mr. L. Way

EXHIBIT V-9: Magazine "Canadian Weekly Editor."

MR. RAYMOND HULL; Gentlemen, I make my living as a free-lance writer; in my spare time I do a moderate amount of reading. So it is from the viewpoint of a writer and a reader that I should like to make these observations about the Canadian periodical publishing industry. First, I will say a few words about the economic position of that industry.

It seems to me that many magazines, intended only for a short life of one or two weeks, are produced by excessively costly methods, on unnecessarily fine papers. The so-called "pulp" magazines of pre-war days were able to gain and hold readers, although they were cheaply produced; furthermore, they seemed to pay for themselves largely by sales, for they used to carry very little advertising.

Do restrictive policies of the printing trade unions unnecessarily increase publication costs? I suggest that it is not the perpetuation of any particular printing process that will add to the richness and variety of Canadian life, or will maintain the culture and unity of Canada. These goals will only be attained by the stimulation of artists and writers to the point where they can earn at least as much as the janitor who sweeps the floor of the print shop.

Costly methods of publication can be supported, it seems, only by the extensive sale of

space to advertisers who apparently have a liking for large and glossy magazines. Glossier production leads to still higher costs, which again call for more sales of advertising space, and less editorial matter.

I would like to mention, by way of example, one foreign magazine that has followed this trend to the point of absurdity. I am referring to the New Yorker, which now uses, in an average issue of two hundred pages, one story and two articles, half a dozen cartoons, and a few humorous fillers, plus a certain amount of pseudo-editorial matter which seems really to be a string of disguised advertisements. The New Yorker has become little better than a mail order catalogue. This may be economic success, but I suggest that it is cultural suicide.

At the opposite end of the scale from the New Yorker is a comparatively new magazine, "Mad". By virtue of cheap production methods and brilliant satirical material, "Mad" seems to pay its way without advertising, unless, indeed, some of the anti-advertisements are really paid for by the firms that they seem to attack.

Another development of recent years has been the appearance of magazines that are disguised and sold as books; I refer to what might be called the "new writing" group. These apparently are cheaper to produce than conventional magazines, since they do not usually carry advertisements.

I have been talking to people about this investigation and asking for their ideas. I will mention here three statements that are of interest with regard to the economics of the industry.

One woman said that she had long term subscriptions to several American magazines; she had taken these subscriptions in response to mail campaigns. She said, "It's no use refusing them; the order forms keep on coming and coming whether you reply or not." This woman said that she never read any stories or articles in the magazines, but just glanced at some of the pictures. Her own statement was, " I don't mind looking at Life if I have time."

Another woman told me, "A lot of magazines come into my house, but I never read them."

In connection with Canadian trade magazines, an architect told me, "They keep on coming, although I never ordered them, never subscribe to them, and never read them."

This, I suggest, could be considered the reductio ad absurdum of the mass circulation system.

I have harped on about the circulation of unread magazines, because it leads me to some remarks about the cultural position of the publishing industry. I am led to wonder what is the cultural significance of magazine circulation figures, when so many magazines are simply flowing into so many houses

like so much natural gas, just waiting for someone to strike a match and set fire to them.

What is the cultural significance of any magazine that depends on advertising for its revenue? Will not the editorial matter be more or less censored to suit the tastes of advertisers? This censorship obviously and notoriously occurs on T.V., but can we doubt that it also occurs in magazines? Do we ever see any revolutionary articles about diet in the magazines that carry a lot of white-flour advertisements?

It is sometimes said that the drive for mass-circulation and the dominance of the advertiser will produce a magazine aimed at the average citizen, and that this is a good thing. I suggest, however, that these magazines are not, in fact, aimed at the average citizen at all; they are aimed at the person who believes what he reads in advertisements. Whether this person is an average citizen may be open to doubt.

Methods aimed at driving advertisements out of American and into Canadian magazines will, I suggest, do little to develop a genuinely Canadian periodical press. To succeed with this audience of true believers, a Canadian magazine would have to offer much the same fodder as the American magazines that it displaced.

This consideration leads me on to wonder whether there really is such a thing as a "genuinely

Canadian", or genuinely American, or genuinely British periodical press. Perhaps the periodical press should be classified other than nationally. Surely, the glossy women's magazines are much alike in the U.S.A., Canada, Italy, France, Germany and the United Kingdom. Trade magazines, scientific magazines, scholarly magazines, each of the groups and sub-groups strikes across national boundaries. There may be good, there may be bad examples of any class in any country.

Here are some comments from other people on the cultural position of Canadian magazines.

Why are the scholarly magazines so dull? Why is there no criticism that is brilliant and entertaining? Why are the Canadian literary magazines dominated by universities and university people?

Several people praised Maclean's; Maclean's is, to a slight extent, an outlet for original Canadian thought." Another opinion: "Maclean's yellow pages are excellent; I would like to see a whole magazine made up of this sort of material."

With regard to the industry as a whole, one reader deplored the fact that "purity, elegance and accuracy are not generally admired by Canadian readers, and not often attained by Canadian writers."

So much for the cultural position of the Canadian periodical press. What are its prospects?

On this point I am going to begin by quoting some of the questions that people have asked me during my rambling investigations.

"Why cannot Canada have a national daily newspaper? Surely the technical methods for rapid transmission of news and for remotely-controlled printing processes have now made this possible. Does not the success of such American news magazines as 'Time' and 'Newsweek' indicate that there is a large body of readers that wants news, but is not particularly interested in local drownings, rapes, rackets, births, deaths and marriages?"

"Why is there nothing in Canada like the "New Statesman," literate without being stuffy? Could we not produce something that the prime ministers of the world would want to read before breakfast?"

"Why should Canada not produce an international magazine like "Domus", with a multilingual text?"

"Why should not the Canadian universities co-operate to produce one or two really good literary magazines. Such

magazines would have the money to pay well for material, and they would not need to fill their pages with professorial writings."

One active writer pointed out to me that any action taken in Canada against American magazines might create a prejudice against Canadian writers who sell their work in the United States. I feel that this point is significant. The U.S.A. may not provide a big market to Canadian publishers, but it is a very important market for Canadian writers.

Here, in conclusion, are a few of my own observations. Many of the troubles of the Canadian periodical press are not peculiar to this country. Big and old-established magazines in the U.S.A. and in the United Kingdom have been going down like ninepins in the last few years.

It seems that the race between mounting costs and increasing advertisement revenue leads either to a victory for costs, and sudden death for the magazine, or to victory for advertising, in the form of the mail-order-catalogue type of publication.

I suspect that the Canadian periodical press, like that of other parts of the western world, will come to a healthy state only by some radical change that will enable it to live on the sale of its editorial contents. The book industry achieved such a radical change by developing the paper-back book. It was discovered that the hard-bound product was not what the book-reading public really wanted.

To speak in a parable: the automobile for years has been getting bigger and bigger, glossier and glossier, and harder and harder to sell. Old-established firms have been collapsing. But the automobile industry is just discovering that it has for years been producing a commodity that many customers did not really want. Is there a lesson here for the magazine industry?

It may be that the periodical press will flourish only when we are willing to accept the idea that a periodical, just as much as a book of poetry, or a book of engravings, can be a work of art. By this, I do not necessarily mean that a periodical must be an exquisite specimen of typographical art; indeed, the ephemeral nature of a periodical would suggest that the less spent on its physical makeup the better. Typography, for the periodical, should be severely subordinated; it is only an accessory to the literary art for which the printed page is a means of expression.

But, as a piece of literary art, the periodical should sell itself for what it is worth. We do not sell oil paintings by overprinting them with soft-drink advertisements; we do not hang sandwich-boards round the neck of a sculptured Venus. We should not sell our writing by means of concealed taxes on all the soap, sugar, cigarettes, sealing-wax and soft solder that are advertised in the magazines that carry the writing.

Perhaps I should add here that I am a part-time publisher as well as a writer. By doing the editorial work myself, and by using cheap paper and offset printing, I am able to bring out DUO, a sixteen-page periodical of

original verse and drawings, which retails locally for fifteen cents. It is not a typographical masterpiece, but it is legible; the paper is not glossy, but it is strong enough to stand several readings; if anyone wants to keep it, it will fit into an ordinary-sized bookshelf.

MR. HULL: I have two copies here, which I will enter as exhibits.

To elaborate what I said at the beginning of this statement, I would suggest that it is not necessarily by multi-coloured printing or glossiness of paper, not by volume of advertisements, not by size of circulation, that the success of a magazine can be determined. Its contribution to the culture and unity of Canada should be measured by the degree to which it calls out the best talents of Canadian editors, artists and writers. These people must make a living -- no one knows that better than I do -- and when they can make a living by giving of their very best, then the Canadian periodical publishing industry will be doing all that can be expected of it.

EXHIBIT NO. V10 Raymond Hull's submission.

EXHIBIT NO. V11 Two copies of DUO magazine.

COMMISSIONER JOHNSTON: I am wondering, Mr. Hull, if magazines in general produced a product on a cheaper paper, just one colour, black and white, if they would get any display on the newsstands, or would they go the way that the Model T Ford went. It had one colour, black?

MR. HULL: Well, I can't speak authoritatively about the newsstand business, sir, but as I mentioned here, people I spoke to in my investigations frequently expressed admiration for the New Statesman. That is a magazine produced at least about as cheaply as a magazine can be, but it sells very well all over the English speaking world. I think a magazine of sufficient quality will be fished out, even from the back row of a newsstand.

THE CHAIRMAN: Do you know what the circulation of the New Statesman is?

MR. HULL: No.

THE CHAIRMAN: I would say roughly not over 140,000 copies a week, if it is that.

Thank you, sir, for a very interesting presentation.

MR. QUINN: The next appearance will be made by Mr. David Eggo of purchasing in Western Canada.

MR. EGGO: I understood I was to appear tomorrow, and I was going to make a few other remarks, other than are on this memorandum.

Memorandum to be presented by David G.C. Eggo Vancouver, Editor of Purchasing in Western Canada to the Royal Commission on Publications at Vancouver, B.C., Tuesday November 22nd, 1960.

We feel that if Canadian publications are to maintain a Canadian identity, some regulations are necessary to restrain foreign publications from usurping that identity.

We, therefore, present this memorandum as a recommendation under section (b) of the Terms of Reference. We recommend:

(a) That the term "Canadian Publication" be defined.

(b) That a "Canadian Publication" be defined as a publication edited, published and printed in Canada.

(c) That Canadian Editions of foreign publications contain a certain percentage of Canadian editorial material. The percentage to be decided by the Commission.

(d) That Canadian Editions of foreign publications be printed in Canada.

EXHIBIT NO. V12: Memorandum presented by David G. C. Eggo.

COMMISSIONER JOHNSTON: When you said brief, you meant a brief. I was wondering whether you could help us on the matter of Canadian content?

MR. EGGO: I could give an estimate. I would think twenty-five per cent minimum.

COMMISSIONER JOHNSTON: How would you describe Canadian content?

MR. EGGO: If it is a news magazine, news pertaining to Canada, or of Canada.

COMMISSIONER JOHNSTON: Well, supposing that a Canadian publication had a review of a Shakespearean play, in which the leading actor was a British actor? What is the Canadian content of that? You see the difficulty?

MR. EGGO: It is difficult, but I think some of those things could be defined.

THE CHAIRMAN: Thank you for your brief.

At 4:05 P M. the Hearing was recessed until 22nd November, 1960.

ROYAL COMMISSION ON

Publications

HEARINGS

HELD AT

VANCOUVER

VOLUME No.: 7

DATE: NOV 22 1960

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ROYAL COMMISSION ON PUBLICATIONS

Proceedings of hearings held at the University of British Columbia, in the City of Vancouver, British Columbia, on the 22nd day of November, 1960 et seq. at 10:30 a.m.

COMMISSION:

M. GRATTAN O'LEARY	Chairman
J. GEORGE JOHNSTON	Member
CLAUDE P. BEAUBIEN	Member

P. MICHAEL PITFIELD	Secretary
G.H. QUINN	Administrative Officer

I N D E X

SUBMISSIONS

EXHIBITS

---Upon resuming.

MR. PITFIELD: Mr. Chairman, the Commission has received three short submissions from parties in the Vancouver area who do not wish to appear but who would like to express their views to the Commission. With your permission I would like to read these into the record.

From Design for Living Publications Ltd. the following:

Mr. Grattan O'Leary,
Chairman,
Royal Commission on Publications,
Vancouver, B.C

Dear Sir:

Whereas a Royal Commission has been set up to inquire into publications emanating from the United States, and their effect on the Canadian public, we submit the following:

1. We suggest that publications dealing with home planning, home design, and home renovations published in the United States, work a costly hardship on the Canadian home building public, inasmuch as home plans offered for sale through such publications by home planning services in the United States, do not conform to our Canadian Standards or the National Building Code of Canada.

2. It is further submitted that the purchase price of American plans is a total loss, causing further expense in the re-design of such plans to bring them up to Canadian standards and the National Building Code.

3. The public is not advised of this condition in advance, and only becomes aware of it when presentation of the plans is made to Central Mortgage & Housing Corporation or a lending institute.

4. In addition to the costly waste of money for plan purchases as outlined above, the advertising content of American publications in many instances presents products not available in Canada, which, it is submitted, is misleading.

5. Such advertising being solicited on a total circulation including Canada, even though such products are not available in Canada, adds to the confusion and disillusionment. Thus, a large amount of subscription dollars is being sent out of the country for publications which are of very little practical value to the Canadian home building public.

6. If it is deemed that these publications should continue to be allowed on the Canadian publications market, the following suggestions are submitted for your consideration:

(a) Advertising content to bear in a prominent place the information as to whether or not such product is available in Canada.

(b) House plans for which working drawings or blueprints are offered for sale state in a prominent position that they are approved and acceptable to the National Housing Act and conform to the National Building Code of Canada. It should be pointed out that conformity to the Federal Housing Act of the United States does not carry conformity to Canadian or National Building Code standards.

7. For the consideration of the Commission, it is pointed out that there are adequate and excellent home

planning services, as well as Canadian architects who design to the National Building Code, complying with civic and municipal regulations. Therefore in being encouraged to purchase what appears to be an inexpensive set of plans, the Canadian public is being misled, as invariably these plans must be re-designed at a further expense and inconvenience to the purchaser.

This brief is submitted by Metropolitan & Country Living Publications Ltd., publishers of "DESIGN FOR METROPOLITAN & COUNTRY LIVING", and ALL CANADIAN publication, featuring editorial on the National Housing Act of Canada, and a wide selection of plans and designs to Canadian standards, along with all-Canadian advertising.

Respectfully submitted; this 18th day of November, 1960.

(C.H.Thorn) President.

From the Roy Wrigley Publications Ltd. of Vancouver, B.C., the following:

Mr. P. Michael Pitfield
Secretary, Royal Commission on Publication
Ottawa, Ontario

Dear Sirs:

We are the owners and publishers of two business trade papers. "Western Fisheries" has been published each month by our company since 1929 and serves the commercial fisheries of British Columbia. "Storage & Distribution" is a monthly publication serving the public warehousing and household goods movers of Canada, and has been published by us since 1933.

We are members of the Business Newspaper Association of Canada and have had the opportunity of studying the brief submitted

by them to the Royal Commission this past week in Ottawa. We believe the position of the Trade Press in Canada has been very well placed before you by the BNA brief and wish to add our personal endorsation to its presentation.

I believe that a strong and healthy business press is essential to the Canadian economy From my own observations I have found that our trade press is very helpful in promoting the trade in foreign countries.

In the case of Western Fisheries, over 40 Canadian Trade Commissioners expressed their desire to have copies mailed to them each month so that they may keep them on file for interested parties in the different countries they have been assigned to. I am sure that many other Canadian Trade papers are also sent to these Canadian representatives. A distinctly Canadian press, with Canadian editorial policy is decidely an asset to the well being of Canadian trade.

I believe that we in Canada should give protection to our periodical and trade press from unfair or over active foreign competition, keeping in mind of course the freedom of expression and communication in an orderly maner, commensurate with the well-being of the Canadian people.

I trust that your hearings will bear fruit and that your Commission will find some of the answers to the problems confronting the publishing industry at this time.

Respectfully yours,

ROY WRIGLEY PUBLICATIONS L
(signed E.G. Knox)
President

And the following:

As a private citizen, inexperienced in the field of journalism, it may at first glance seem presumptuous on my part to be expressing an opinion on the subject of periodicals. Nevertheless, periodicals do play a significant part in my life as they do in the life of every other Canadian, and my opinions may be of some benefit in this matter.

The international situation is dangerous in the extreme. The two major powers in the world, the United States and the Soviet Union, oppose each other much as two boys, each brandishing a stick, one daring the other to make the first move. They declare openly that they intend to make no concessions whatever, and each one is afraid to drop his stick for fear of what the opponent might do.

In this situation there is very little hope of a compromise with no loss of face. The only real hope for disarmament and peace then, appears to lie with the small and middle powers. Canada, as a middle power with considerable worldly prestige, has a tremendous potential for peace and goodwill. A good example of what Canada can do in this regard is the move which she initiated to have radiation levels measured and recorded throughout the world. Canada received a great deal of support from the small and middle powers on this issue and the larger powers found it politically expedient to support it. In order to assume this vitally important role Canada must be a nation unto herself. She must not be a satellite of any other power or her usefulness will be negligible.

To provide world leadership for peace we must think differently to the citizens of the United States that support American foreign policy. The danger of Canadians becoming American in thought is very real indeed. I believe much of our news at present comes through American news services and for that reason is bound to be biased to some extent. Added to this is the effect of American views expressed by commentators in periodicals from that country. How, in the face of this overwhelming pressure from the United States, are we to maintain a separate outlook? It is becoming increasingly difficult.

The solution to this problem may not be easy, but it is imperative that we attempt a solution. Indeed, our very existence may depend upon it.

With this in mind I suggest the following measures:

1) Restrict all American periodicals in the field of general news reporting and commentary.

2) Allow these publishing firms to establish branches in Canada, provided they meet minimum requirements of Canadian news coverage and even more important, provided they employ a minimum percentage of Canadian commentators. The price of some of these periodicals may increase slightly as a result, but in all fairness this must be measured against the increased use of Canadian labour, brains, and raw materials--within Canada.

3) Scientific journals, technical periodicals, and other publications which have little or no political significance should be a lowed to enter the country unrestricted, as at present. Perhaps some consideration should also be

given to maintaining our own Canadian culture through a further restriction on periodicals with cultural implications. We should realize that contrary to the picture portrayed by some American publications, all the best art and music is not confined to the United States.

I am not suggesting here that we encourage an unreasoning, senseless nationalism, but rather a more realistic picture of Canada's place in the brotherhood of all nations of the world, where we are important not for being a "yes-man", but rather for our own unique approach to world problems.

Respectfully submitted by:

E. R. Morton,
R.R. #1,
Cowichan Station, B.C.

EXHIBIT NO. V-13 Submission of Design for Living Publications.

EXHIBIT NO. V-14 Submission of Roy Wrigley Publications Ltd.

EXHIBIT NO. V-15 Submission of E. R. Morton.

COMMISSIONER JOHNSTON: On the Design for Living, is that from Toronto?

MR. PITFIELD: That is from Vancouver.

COMMISSIONER JOHNSTON: Mr. Thorn is in Vancouver and does not want to appear?

MR. PITFIELD: Yes.

COMMISSIONER JOHNSTON: We should get some additional information.

MR. PITFIELD: The first party to appear before you this morning will be Realm News Service Limited represented by Mr. Copps.

MR. QUINN: Their brief will be Exhibit V-16.

EXHIBIT NO. V-16 Submission of Realm News Service Limited.

SUBMISSION BY REALM NEWS SERVICE LIMITED

APPEARANCES:

E. Copps, Manager of Realm News Services Limited.

MR. COPPS: Good morning, Mr. Commissioners. I am Manager of Realm News Service Limited, a Canadian company and also contributing editor of Saturday Night which I might describe as a surviving...

THE CHAIRMAN: Would you identify yourself?

MR. COPPS: My name is Copps, Edwin Copps.

THE CHAIRMAN: Where do you live?

MR. COPPS: In Ottawa, the head office of oury company is in Ottawa. I am actually living in Vancouver temporarily at a hotel. Since my presence coincided with the Commission's visit I decided to apply for the privilege of speaking to you here.

My company, Realm News Service Limited has submitted a brief to the Royal Commission. I hope you have received copies and I hope you will find time to read it. Since we were told that the brief will go into the record I do not intend to read the text of it here to-day.

THE CHAIRMAN: I think you had better read the text of your brief. Sometimes the supplementary statement contains facts which are not in the brief. We would prefer you to read the brief.

MR. COPPS: This is not the procedure I was told I would follow. I will go ahead with it.

THE CHAIRMAN: That is the procedure we followed in the hearings in Ottawa.

MR. COPPS: It has been changed.

The following submission is presented by Realm News Service Limited to the Royal Commission on Publications.

Realm News Service Limited is a Canadian company chartered by the Government of Canada "to engage in the business of preparing and syndicating editorial materials to newspapers, magazines and other publications." The corporate interest of Realm News is involved in the deliberations of this Royal Commission because the company's livelihood depends to a degree on the prosperity and growth of the Canadian magazine industry.

Other larger and more prosperous concerns will undoubtedly provide this Commission with elaborate and thorough studies of all the various phases of Canada's periodical press. In its submission, Realm News Service intends to dwell largely in one area; weekly magazines.

We concentrate on this area of Canada's periodical press because here can be observed in sharpest focus the evidence of a prevalent and serious depression in the Canadian magazine industry. We begin with this fact: there is not a single national weekly magazine of general interest

published in Canada today.

The national weekly is to the magazine industry what the metropolitan daily is to the newspaper business. There can, of course, be excellent monthly and quarterly magazines just as there are superior small-city daily and weekly newspapers. But the national weekly and the metropolitan daily remain in the forefront of their fields. They are the most difficult and expensive to produce. They inaugurate most of the new trends and techniques, and, as a rule, they offer the greatest scope and reward to creative talent. It is also a fact that, as a result of their leadership position, weekly magazines and major newspapers are the first to feel and reflect the fluctuations in their industries' economics.

We ask the Commission at this point to consider this parallel: a Royal Commission appointed to determine the prospects of Canadian newspapers. Suppose such a Commission were to find that not a single solvent daily newspaper remained in any major Canadian city, that all of them had recently been forced out of business or reduced to weekly status by foreign competitors. Disregard the issue of whether such competition was fair or unfair. Surely, on the basic question of the prospects of Canadian newspapers, the Commission would have no alternative but to find that the entire industry was in a severe depression.

Respectfully, we submit that this Royal Commission on Publications is confronted with conditions in the Canadian magazine industry almost identical with those described in the above hypothesis. Every Canadian national

weekly magazine -- the entire vanguard of Canada's periodical press -- has been overwhelmed during the past 15 years. In 1944, before the U.S. magazines invaded this market with by-product Canadian editions, there were at least eight general-interest weekly periodicals in Canada. These were bona fide individual magazines, not newspaper supplements trade journals or scandal sheets. Some were quite substantial publications, others were only struggling and hopeful. But all were performing in some measure that magazine function set out by Prime Minister John Diefenbaker in the Order-in-Council which established this Commission: to "add to the richness and variety of Canadian life."

Canada has scored great advances in almost every phase of our national life since 1944. It is reasonable to expect that some of these weekly magazines which were then established would have grown up with the country and that others would have been founded in the intervening years to meet the demands of our expanding population and economy. But what do we find? Today, not one of these weekly magazines of 1944 survives. A few have been transformed into precarious fortnightly or monthly periodicals; the others have been entirely liquidated. And not a single new national weekly has been established.

This Commission was authorized to inquire into the "present position of and prospects for Canadian magazines." Here is incontrovertible evidence that all the country's weekly magazines have been annihilated and that this field which should be the most fertile for magazine creation and development is totally sterilized. What other conclusions

can possibly be drawn but that the present position of Canada's periodical press is bad and its prospects even worse?

Despite this clear evidence that the industry has been virtually decapitated in recent years, various individuals and organizations will probably come before this Commission and attempt to argue that Canada's periodical press is robust and needs no government attention. Such protests were chorused, not only by the wounded foreign publishers but by assorted nescient Canadians as well, when a previous Government tried to ameliorate the condition of Canada's periodicals in 1956. They will almost certainly be renewed now.

Stripped of all their specious statistics, flashy visual aids and slick phraseology, the arguments of those who oppose government action to rescue Canada's periodical press generally can be reduced to these theses:

(a) Canada's magazines are doing as well as can be expected. The line of this argument is that magazine publishing is hazardous everywhere and that the death rate of Canadian magazines is about normal. The passing (or killing) of Collier's weekly will be cited again as proof of the industry's vicissitudes even in the prosperous and ultra-professional United States. Statistics, which have been fattened up with circulation and advertising figures of newspaper supplements and trade journals, will be adduced as before to show that Canadian magazines are generating more revenue and selling more copies than ever. The second argument that they will advance is:

(b) Canada cannot support its own major national magazines. Here all the tired excuses about Canada's bilingualism, vast distances and sparce population, proximity to the U.S. and, perhaps, even our national illiteracy will be offered to explain the

backwardness and deterioration of Canada's periodical press.

Finally, the argument will be adduced that:

(c) Canadians cannot produce good magazines. It is not likely that any foreign publisher's spokesman will be tactless enough to make this charge openly but it will be implied. When the now repealed Magazine Tax was imposed in 1956, opponents of the measure contended that it was unnecessary and that Canada's magazines would prosper if only Canadian editors and publishers would exert the creative and business acumen to make them successful. Since we fail to achieve this success, the hard implication is that Canadians cannot muster the necessary talents.

All these arguments can be refuted with masses of evidence. We propose to deal with them only briefly here, confining our obser ations as before mainly to the weekly magazine field:

(a) Are Canadian magazines doing as well as can be expected? As was pointed out earlier, Canada has no national weekly magazines. New Zealand, with about one-eighth our population, has six. Australia, where the population is only slightly more than half of Canada's, has at least ten. South Africa has a dozen or more national weeklies.

Pakistan has three. Ceylon has six and India supports at least 20. There are scores of weekly general interest periodicals in the British Isles. These statistics indicate that the periodical press in Canada is the most inadequate of all the major nations within the British Commonwealth. We are unable to undertake full research of the subject but preliminary study that we have done heightens our fear that Canada's periodical press may very well be the most sub-standard in the civilized world. Whether it actually qualifies as such is not moot here. The very fact that a country with Canada's development and technology is even a contender for this distinction (if you can call it that) is a national disgrace.

(b) Can Canada support its own major national magazines? We shall attempt to answer this question by dealing with the various excuses that are most frequently advanced for our obvious shortcoming in this field of culture:

Bilingualism: This cannot be the fault. Belgium is bilingual and this country, with half Canada's population, supports twenty or more national weekly publications in two languages. South Africa is

multilingual, but its magazine industry flourishes in all the local languages. Another of their contentions is sparse population and vast distance. Argentina's population is not much greater than Canada's and some of the distances within that country pose communications problems as difficult as these encountered in Canada. Yet Argentina produces twelve nationally-circu ated general interest weekly magazines.

Proximity to the U.S.: This has not stopped the growth of a vigorous national magazine industry in Mexico or Cuba. They are as near to the U.S. as we are but the difference is that the language barrier affords their market needed protection against the wholesale dumping of by-product editions of U.S. magazines. The result is that both Cuba and Mexico, although far behind Canada in most fields of development, are well in front of us in the magazine industry. Mexico has no less than ten national weekly magazines, Cuba has three. It is significant that Time has been able to print the weekly Latin America edition of that magazine for Cuba for several years but has never been able to

transfer, up to now - though they say they will shortly do so -its Canadian edition printing operations to Canada. The reason is that the island of Cuba has the necessary modern magazine publishing facilities. In Canada,the technology and economics of the magazine industry are so depressed that no printing house can contract to perform the work.

On the matter of illiteracy, the Massey Commission commented not in the specific sense of the word but in reference to an apparently low Canadian interest in books and reading. If this is a national trait, it may have some effect on the demand for Canadian magazines but it hardly explains our total lack of national weekly publications. The Republic of Chile sustains five lively weekly magazines with a smaller population than Canada but with an illiteracy rate - a real illiteracy rate - of 23 per cent to Canada's 1 per cent.

(c) Can Canadians produce good magazines? This question is almost too absurd to warrant consideration but it is answered because it is raised by those who contend that the failure of Canadian magazines to meet foreign competition is due in some measure to the inadequacies of Canadian editors and

publishers. We cite a few indicators that Canadians are not suffering from the national inferiority that this argument seems to suggest. The co-founder of the Reader's Digest was a Canadian. Over the years, expatriate Canadians have served as top editors of such leading U.S. magazines as the Saturday Evening Post, Life and Fortune. The careers of Lord Beaverbrook and Roy Thomson suggest that Canadians can compete in the commerce of publishing enterprises. There is also the example of Canadian newspapers which are, on the whole, as competently edited and produced as their U.S. counterparts. Can anyone really doubt that Canadian magazines could also be improved to a standard commensurate with our society and that the talent to perform the task is available in this country if normal economic conditions are restored for Canada's periodical press?

Up to this point in its submission, Realm News has dealt mainly with the first phase of the Commission's terms of reference, i.e., the position and prospects for Canadian magazines. We believe it is self-evident that the condition of Canadian magazines is depressed far below the standard this country should attain. We have briefly examined

the reasons commonly offered for this backwardness of Canadian periodicals and have shown, in the light of experiences of other countries, that none of these is valid or logical.

We now wish to discuss what we believe to be the fundamental cause of the weakness and deterioration of Canada's periodical press. This is the factor referred to in the Commission's terms of reference as "competition with similar publications which are largely or entirely edited outside of Canada or are largely or entirely foreign in content".

Realm News contends that it is the inequitable competition of these foreign periodicals which has so completely demoralized the Canadian magazine industry. These publications annually divert from Canada many millions of dollars which would ordinarily nurture the development and growth of Canadian magazines.

At this juncture Realm News wishes to emphasize that its remarks here and elsewhere in this submission do not apply to bona fide U.S. publications of which many millions of copies are sold in Canada. We take the position that, although the sale of these periodicals is increasing in this country, it is entirely fair and legitimate and that no barrier of any kind either needs to be or should be raised against it. We are confident that,

if this Royal Commission achieves its purpose and normal economic conditions are restored in the Canadian periodicals industry, Canada soon will produce its own magazines which will be capable of meeting fair competition from periodicals produced anywhere in the world. I think the influx of good magazines from outside this country should be not only challenging but will be invigorating to the Canadian magazine industry.

The by-product editions of U.S. magazines which are circulated in Canada (e.g. the so-called Canadian editions of Time and Reader's Digest) do not constitute fair competition for Canadian periodicals.

Here I probably should interject that I worked for Time Magazine for twelve years as Assistant Editor of the publication in New York. I left them two years ago to return to Canada, of my own volition. They flattered me by telling me they would like me to stay on. I interject that here because I think it may be relevant as we go on.

I also want to make it clear that although remarks have been made about Time's accuracy and Time's integrity editorially, I want to put on the record my own view of Time after being inside the organization for many years. There is no publication, I believe, on earth that makes a greater effort in terms of expense, research, time and integrity to be accurate, to be fair, and to be honest. I realize

that sometimes mistakes are made; they are made in every publication as you gentlemen know. I think it is a tribute to Time that when mistakes are made they are particularly annoying because the reputation, the background of the magazine, the obvious effort that goes into it makes the error all the more aggravating when it is found. It is rather like finding a flaw in a diamond.

I have said this because I am going to have to say something prejudicial to Time's business interests in Canada and I want to make it clear to the Commission that I am on good terms with the Time organization and was when I left, and I have great respect for all the people who work there -- with a few exceptions! I just do not want you to think that you are listening to a disgruntled ex-employee of Time when I have some things to say about their operations.

They are, in fact, a cleverly-camouflaged exercise in dumping, an inequitable trade technique which is outlawed not only by the trade legislation of Canada but by that of practically every major nation in the free world.

The most common form of dumping is when surplus or waste goods from one country are flooded into the market of another and are sold there at prices far below their market value in the country of origin and below the prevailing prices in the

invaded market. The dumper invading Canada from the United States is in a particularly favourable position to slash his prices and undersell his Canadian competitor because the manufacturing cost of his goods already has been largely borne by the larger American market. The inevitable result of a large-scale and continued dumping operation, unless it is checked by an alert government in the invaded country, is the complete demoralization of the assaulted local industry. The industry's economy is bankrupted by the inequitable price war, the local firms collapse one by one, and the area becomes what is known in trade as a "slaughter market". The term is not inappropriate to describe the present state of Canada's periodical press.

The U.S. publishers who sell by-product editions of their magazines in Canada practice dumping but with a subtle difference. Like the conventional dumper, they deal in surplus goods, i.e. magazine editorial which has been prepared for and largely paid for by the U.S. market. The import of these dumped goods into Canada has the customary effect on the local market; as we have shown, Canadian magazines are overwhelmed by the unfair competition. The subtlety of the operation of these dumper-publishers lies in the concealment of the price cutting through which they gain their unfair advantage. Their subscription rates are identical

in Canada and the U.S. They quote mill-line advertising rates (i.e. the cost of a line of advertising to 1,000 readers) to show that their advertising prices are virtually the same in Canada and the U.S. To the unwary observer - and these apparently include government officials who have viewed the problem - it seems that these U.S. firms are competing in the Canadian market on a fair and equitable basis. To anyone who comprehends the basics of magazine publishing, however, it is obvious that such is not the case and that these publishers are,in fact, waging an unequal price war in which few of their Canadian competitors can hope to survive

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The members of this Royal Commission are individuals with long experience in many phases of the publishing industries. We are sure that they perceive the inequity to which we refer. We ask the Commissioners' indulgence if, for the record, we set forth what may appear to them to be a somewhat detailed exposition of this matter.

We submit that the mill-line advertising rate is a false and misleading criterion on which to judge the fairness or unfairness of these publishers advertising price structures in Canada. The true standard of comparison is the fair market value of the editorial content of these magazines. The editorial content is the publisher's chief stock-in-trade. This is the commodity which he sells -- to readers for their entertainment or information and to advertisers for the projection of their sales messages. His editorial contents also are the basic goods which the U.S. publisher exports to Canada in these Canadian Edition enterprises. Therefore, it is the fair market price for which he sells this editorial material in the U.S. and what he charges for it in Canada which must be compared to determine whether there is inequitable price-cutting and a dumping operation.

The editorial contents of a magazine are tangible goods with determinable production costs and cash value. In its issue of March 8, 1948, Time magazine published the claim that its editorial material (exclusive of paper, ink and printing) cost $1.48 per word. Presumably, the production cost has increased substantially since that time. Readers' Digest pays prices running to thousands of dollars per page for the right to reprint the editorial material which it

obtains from other magazines and best selling books.

The editorial material which these two U.S. publishers sell to readers and advertisers is practically identical in Canada and the U.S. If anything, its production cost and therefore its market value has been increased slightly before it is offered to Canadian buyers by the addition of these snippets of Canadian-originated material which are not provided for the U.S. market.

As we have pointed out, a publisher sells this editorial content to two types of buyers: readers and advertisers. The editorial cost is included in the unit price to the reader, in what the individual subscriber pays for a single copy of the magazine. It is also a major part of the selling price of a unit of advertising. The common unit of magazine advertising is a page, sometimes fractionized to columns or lines.

Since the subscription prices of these magazines are the same in Canada and the U.S., we need not discuss them here. It is in the unit selling price of advertising that a vast disparity exists and it is here, we contend, that the dumping occurs. We draw attention to these comparative rates. Readers' Digest sells a page of advertising in the U.S. for $36,225. In Canada the price of the same space surrounded by identical editorial material is reduced nearly 90% to $3,650. Time's advertising rate in the U.S. is $13,225 per page; in Canada, even after they have added this "bonus" Canadian editorial material, the price is reduced approximately 85% to $2,020.

These U.S. publishers would have the Government of Canada believe and they have been successful up to now that the differential between their Canadian and U.S. advertising rates is based on the difference in the circulation of their U.S. and Canadian editions. We contend that the price reduction is vastly disproportionate. While paper, ink and printing costs may vary, the cost of the editorial content of a magazine - a major element in the cost of an advertisement - remains constant whether it is reprinted 200,000 or 2,000,000 times. When they reduce their advertising rates 85% - 90%, these U.S. publishers are reducing the Canadian market price of their editorial content by approximately that amount. They are enabled to do this because the production cost of this editorial content has already been largely absorbed in the U.S. market and they can dump it in Canada at a small fraction of its true value.

Now I know that spokesmen for these publishers will immediately protest that these price differences are due to the difference in circulation of their magazines in the United States and Canada. They will reel off a lot of advertising jargon about mill-line rates, readers per page etc. etc. But let us consider how valid these arguments are by looking at some comparative figures to see how these reduced advertising rates work in practice.

The Canadian and U.S. editions of these magazines are generally about the same size. Sometimes the Canadian edition is thicker. But for easy computation, let us take a week in which the Canadian and U.S. editions of Time,

for example, are the same size--40 pages of advertising and 40 to 50 pages of editorial material.

Time would sell these 40 pages of advertising in Canada for a base price of $2,020 per page and gross $80,800. They sell 225,000 copies of the magazine in Canada--and let's use the 25¢ newsstand price here for simplicity--and they gross $56,250. So the total revenue from the trading on this unique editorial product in Canada is $137,050.

Now in the U.S. they publish the identical magazine. 40 pages of advertising there at $13,225 per page brings in $529,000. They sell two and a half million copies and this grosses $625,000. So this editorial product of Time is sold in the U.S. for $1,254,000. The identical product was sold in Canada for $137,050--or $1,116,950 less than its gross retail market value in the United States.

Here, of course, the American publishers will point to the additional U.S. circulation. All right, let's make allowance for that extra production cost. Let's assume that the 2,225,000 additional copies of the magazine cost 25¢ apiece which, of course, is a lavish estimate. So we deduct $556,000 for the extra printing and paper costs. There's still a margin of more than half a million dollars in the price which this U.S. publisher received for his unique editorial product in the U.S. and what he sold it for in Canada.

We submit that one of two things is happening here. Either the American buyers were vastly overcharged and Time made an extraordinary profit on its American sales.

Or else the product was greatly underpriced on the Canadian market. Time last year reported a profit of only 3.3% on its sales; so obviously they are not fleecing the American customer. No, they are dumping the magazine content in Canada.

This price-cutting on their editorial material is especially significant when it is borne in mind that this is the basic commodity which these U.S. companies import to Canada to conduct their enterprises here. This is the imported stock-in-trade which they offer to a Canadian advertiser when a transaction begins. They do not import advertising, or circulation or readership; these are acquired within Canada through the trading of the cut-rate editorial content. The elementary rules of fair trade require that an imported commodity be sold in Canada or traded here at its U.S. market value. The facts are, however, as we have shown above, Readers' Digest dumps its goods on the Canadian market at 10% and Time at 15% of their fair U.S. market price.

These publishers will endeavour to persuade this Commission that the per-page advertising rates in Canada and the U.S. are not comparable. They will put forward a formula called the mill-line advertising rate or the per page rate to show that a Canadian advertiser communicates a line of advertising to 1,000 readers at approximately the same cost as his U.S. counterpart. On this basis, they will claim that their prices are equitable.

While the mill-line formula may be a useful measurement in comparing advertising values as between various publications in the same market, we contend that it is inapplicable and irrelevant in this context.

They are making the same mistake here that they make very frequently, they forget we are a different country. I mean, they approach this country as if it is California. To illustrate, we would cite the analogy of a U.S. auto manufacturer who produces $10,000 automobiles capable of being driven 100,000 miles. At the season's end, this hypothetical manufacturer has a number of these surplus cars in stock. His U.S. market already has absorbed most of the overhead of their manufacture and he decides to dump them on the Canadian market at a price of $1,000. This is a $10,000 automobile he is sending into Canada for $1,000. He may even put on Canadian license plates and attach a chrome Maple Leaf to the radiator to make the certainty elevenfold that no Canadian car dealer can compete against the exorbitant price-cutting.

Now suppose that a Canadian buyer of this bargain automobile drives it only 10,000 miles; the car will go 100,000 miles, as its U.S. performance shows, but because of his Canadian taste for travel, the Canadian uses the car for only a fraction of its potential mileage. Could the U.S. manufacturer then sensibly plead that he had traded fairly, that he was innocent of dumping the car on the Canadian market at 10% of its true value because the Canadian buyer had not made full use of it? He could produce a statistic - and I submit to you it would be similar to this mill-line rate - showing that the Canadian customer spent 10¢ per mile for transportation and that this was the same rate as was paid by the U.S. purchaser. But such a statistic would not alter the fact that he had dumped a $10,000 commodity

on the Canadian market at 10% of its fair U.S. market price.

The case of these publishers is exactly parallel. Their editorial content, like the high-quality automobile, has a proven quality and ability to attain a certain mileage or circulation in the United States. They sell this editorial content in Canada at 10% or 15% of its established market value and they thus overwhelm their Canadian competitor It is true that Canadians do not use the full potential of the product but that is a matter of Canadian taste and decision. There are sufficient literate Canadians to buy 2,000,000, we could if we wanted to buy 2,225,000 copies of Time. Again there is no reason why we should behave as Americans do and only one out of ten buy the publication. The fact that Canadians do not use it in that quantity does not alter the intrinsic market value, based on cost of production and reasonable profit, which has been established in the United Stats.

Obviously, Canada's tariff structure would collapse completely if all importers were to contend, as do these U.S. publishers, that a fair market value of an imported commodity depends on the use Canadians make of it and the importers' success in selling it to the Canadian people. Consider some of the possible applications of such a formula; some of those are ridiculous. Cigarette manufacturers could dump American cigarettes here at cut rates on the ground that Canadian smokers threw away longer butts. A U.S. shirtmaker could dump $7 surplus shirts on the Canadian market for $1,00 and claim justification on the ground that his Canadian customers only wore collars on Sundays.

There is another illogical aspect of the publishers' argument that they have lowered their prices in Canada because of their smaller sales. Implicit here is the theory that mass production increases unit cost - and that is certainly not a widely-held belief in the American advertising business

We do not need to remind this Commission that there are effective Canadian laws to deal with dumping. These laws were enacted not to provide economic advantage to Canadian industry but to defend it against unfair and destructive foreign competition of the very kind that is obviously being waged by these publishers. The effect of these regulations, as the Commissione s are undoubtedly aware, is to impose a special or dumping duty on the imported goods equal to the amount by which their fair market value in the country of origin has been reduced. This dumping duty may be applied on goods which are not otherwise dutiable and it can be imposed by a simple Order-in-Council.

We are aware that successive Canadian Governments have pondered this problem. Being rightly concerned about the deterioration of Canadian periodicals, they have examined many proposed solutions. Why have they not recognized that this is a dumping operation and why have they not enforced the existing anti-dumping laws to stop it? We do not know the answers to these questions but we speculate that these may be some of the causes of the governments inaction:

A) Misunderstanding of the Problem: The government may have failed to grasp the crucial fact that the imported commodity here is not copies of the magazines, and not

advertising, but the unique editorial content of a magazine. They may have been misled by the mill-line rate device into appraising the value of the Canadian-originated advertising instead of the editorial content which is, in fact, the imported and traded commodity.

b) They may have underestimated - the former Liberal government obviously underestimated the extent of the disadvantage inflicted upon Canadian publishers by the price-cutting tactics of their U.S. competitors. This is aparent in their imposition of a mere 20% tax on the U.S. magazines' Canadian advertising sales. This had the effect of raising the price of a $3,600 page of advertising to only $4,320 when, as we have shown, the true market value of this advertising is in the order of $36,725. It is not surprising that the tax was ineffectual; what is surprising is that a Canadian Government, pretending to understand the problem, would propose this totally-inadequate measure as a solution.

The Canadian Government may have been reluctant to impose the proper anti-dumping duty because of the mistaken view that it would in some way infringe upon our traditional freedom of the press. No such infringement is involved of course. Although these publishers would be required to operate in Canada on a fair and equitable basis (either by paying the duty or adjusting their prices) they would be entirely free to continue their Canadian Editions. The levying of legitimate tariffs on the commerce of publishing imposes no censorship. Rather, the Canadian Government's failure up to now to impose the just tariff destroys the freedom of Canada's periodical press.

Economic conditions develop as a result of the government's inaction, which lead to the collapse of Canadian magazines and the indirect suppression of news and opinion which they would publish. As we have shown, this has already happened in our country.

Finally, we must acknowledge the possibility that some loophole exists in Canada's customs laws or international trade agreements which has permitted these foreign publishers to continue this inequitable competition against Canadian firms. Admittedly, we are not tariff specialists, nor does Realm News have the resources to engage experts to make a thorough study of all the tariff legislation. There are anti-dumping provisions in the Customs Act and the Customs Tariff. These appear to us to be workable against various forms of dumping, including this technique by which the dumped goods are transmitted to a Canadian subsidiary for assembly into pseudo-Canadian magazines. However, as we admit, our reading of these laws may be incomplete. It is possible, and likely, that these big and resourceful U.S. companies, with highly profitable enterprises at stake, have engaged expert counsel to comb through all Canada's voluminous commercial law and find some legalism with which to thwart adequate Canadian Government action against them.

If such a loophole exists, it should be plugged immediately and the full dumping duty imposed on these magazines if they don't raise the prices. If the anti-dumping legislation cannot be made effective, then some other adequate levy must be applied through the Excise Tax, the Income Tax, or another law, to remove the present

inequity and give Canadian magazines a fair competitive opportunity in our country.

The U.S. publishers will undoubtedly protest that such action is discriminatory. Indeed it will be discriminatory, but only in the sense that a remedy discriminates against an ailment. In this case it will be a specific cure for the present serious illness of Canada's periodical press. It will rescue and revive Canadian magazines which are, in the words of Prime Minister John Diefenbaker, "essential to the culture and unity of Canada".

At 11:15 the hearing recessed for a short time.

COMMISSIONER JOHNSTON; Mr. Copps, you mentioned Time. I was wondering if you had an opinion regarding the practicability of editing the Canadian edition of Time, or any other publication in New York -- from New York?

MR. COPPS: Well, my own experience with Time in New York was that they were in very constant communication with Canada. I worked on it down there and I felt that I was bringing some Canadian viewpoint to it. Time has endeavored over the years, to hire some Canadian people to work on the editing of it in New York, and on the research of it in New York. I certainly felt that they were doing an honest job of trying to report Canadian news.

COMMISSIONER JOHNSTON: I am going to ask the Chairman, maybe, sometime, privately if he thinks that the Ottawa Journal could be edited from Toronto.

MR. COPPS: I do not think it could, Mr. Johnston; but this is a little different situation. The Ottawa Journal, or any local newspaper -- there is the time factor there that necessitates immediate action; whereas, with a magazines, you have a little time lag there where you have an opportunity to do a little more careful work on the thing, or time consuming work.

COMMISSIONER JOHNSTON: Now, that word "nescient" on page 4, bothered me. Can you define it?

MR. COPPS: "Ignorance" is a polite word for it.

COMMISSIONER JOHNSTON: "Ignorance". I asked Mr. Quinn to go and find a dictionary for a definition and he came back with 'ignorance of", or, "agnostic". Which is it?

MR. COPPS: It is "ignorance of". I did not want to call people "ignorant" who came up here to offer suggestions about banning American magazines from Canada and interning of American editors. I thought the polite way of saying I did not put much stock in what they said was to call them "nescient".

COMMISSIONER JOHNSTON: You say that Belgium has twenty or more national publications. Are you sure of that?

MR. COPPS: Well, I looked through the International Directory and I just stopped counting when I got to twenty. The prevalence of periodicals in France and Britain -- Belgium and those places, is very impressive and I ran down the list of Belgium weeklies and I stopped counting. It said at least twenty.

COMMISSIONER JOHNSTON: I believe we are getting some information from Belgium ourselves.

My impression, obtained from a young man who has lived there for five years, in Brussels, is that they are swamped by periodicals from Paris.

MR. COPPS: I wondered, when I looked at this, that that was not happening there; but Belgium has managed to retain its individuality, in spite of the French nearness, for several centuries, and I guess that they are doing it in the magazine field too.

COMMISSIONER JOHNSTON: You never worked on the advertising side of the paper?

MR. COPPS: No, I have not, sir.

COMMISSIONER JOHNSTON: You say the mill line rate was based on per thousand readers. I think it would be more accurate to say that it is per thousand copies?

MR. COPPS: Well, I know they fractionize. After you get a copy they tell you that five people read that. I must say, sir, that I thought that I was covering this pretty well when I said that "advertising jargon", because I do not know who understands it.

COMMISSIONER JOHNSTON: Your comments about dumping of editorial material are, to me, very interesting.

MR. COPPS: Well, if I can comment, I think it is the crux of the whole matter.

COMMISSIONER JOHNSTON: What would it do to the retail price of an imported magazine?

MR. COPPS: To the retail price of an imported magazine? You mean the retail price of a magazine that does not have a Canadian edition?

COMMISSIONER JOHNSTON: Yes.

MR. COPPS: Well, it will have no effect on it.

COMMISSIONER JOHNSTON: And on the ones that have a Canadian edition - Time, Reader's Digest? They have to recover their costs and you, by your dumping law, increase their Canadian costs very substantially?

MR. COPPS: Of course I do, but that is the law of the country. When you bring in a product, you just cannot sell it at a fraction of its price, because you are going to go out of business if you do not. The equitable law of the country, in order to protect Canadian industry, is to bring in a product at the fair price you sell it down there. If one of these magazines is able, or produces an editorial product, this is a package that they produce for $2 million, or whatever it is, in any particular week or month, and bring that into Canada and say "Here, you can have it for $125,000.00", it is very magnanimous on Canada's part to let them give it away if they want to, but it is slaughter for the people who are in that

business and trying to make a go with Canadian magazines.

I should control my emotional feeling about this, but I do not know what all the mystery is, when in any other line of business, if the Government stood by and let a foreign manufacturer come in and dump his product on the Canadian market -- whether it be automobiles or soap flakes, or whatever you want -- if you let them dump it in the Canadian market at 10 per cent of its value, it is inevitable that the people in Canada who are in that business are going to collapse.

The amazing part of it is that any Canadian magazines have survived. I am just full of admiration for the salesmanship of the advertising people in Saturday Night and Macleans and other publications, who are able to go around to advertisers and get as much out of them as they can for an editorial product which is, obviously, less extensive, and I think that the fact that they have survived is indicative of the great yearning there is on the part of Canadian businessmen and Canada generally to maintain the Canadian magazine. But, certainly, the Canadian magazine industry has had no help from the Government in that respect.

COMMISSIONER JOHNSTON: You have no reference in your brief to the effect on the

Canadian consumer?

MR. COPPS: The effect on the Canadian consumer would be the same as if, say, the illustration I gave of an automobile. If a man brings a $10,000.00 automobile from the United States in here and sells it to the Canadian consumer for $1,000.00, the effect on the Canadian consumer is elation. He is, naturally, glad to get it. But, Canada is not set up that way. We have had a national policy since 1867, or 1870 -- Mr. O'Leary knows -- and the principle of that is that we do things to protect the native, national economy and this is not a narrow Canadian principle. I think that the theory of the anti-dumping principle is in the general agreements of the tariff and trade which are signed by 35 or 37 nations throughout the world.

COMMISSIONER JOHNSTON: Now, a million Canadians, French and English, buy Reader's Digest. What I am trying to find out is, what would Reader's Digest charge the consumer at the newsstand, or the subscription rate, if you had a dumping duty applied to the editorial content?

MR. COPPS: Well, I can only theorize about what Reader's Digest would do, but I know before they put any advertising in the magazine at all, they sold a good many magazines in Canada for 25 cents and made money on it and I would just expect that even if they closed down their Canadian

operation, that the Wallace couple are just not going to throw away a million readers. They will continue to ship their magazine into Canada and keep it at a competitive price. Other magazines, Fortune or Life, can send a magazine into Canada and sell it on the same rate they sell it in the United States.

The factor that the Government has never seemed to grasp is that what these people do is lift up an editorial product to the magazine. This is a tangible manufactured article, and it is worth a certain amount of money, and they bring that product across the border into Canada and they sell that product at prices -- advertising, particularly, that bears no relation to its cost of production and a reasonable profit on it. It is obvious to any Canadian magazine reader, or certainly anybody in the magazine business, that he just cannot produce a product like the editorial content of Time magazine for the money for which they sell it in this country.

COMMISSIONER JOHNSTON: We agree on that.

MR. COPPS: Those people over there are clever men and they have to pay editorial salaries, artists and illustrators, and that is what is the matter there -- bringing it in here and selling it at generally less than it is

costing them to produce it.

COMMISSIONER JOHNSTON: Do you remember when we had a customs duty on magazines, thirty years ago?

MR. COPPS: Yes, I remember kind of vaguely. In retrospect it was ill advised. Maybe there was some reason at that time, in view of the fact that Canada was a country with maybe nine or ten million population and the economic conditions were not very good. Maybe they were a little hasty in applying a tax on all magazines. I think there is no danger whatsoever we will be overwhelmed by foreign magazines in Canada or foreign publications.

COMMISSIONER JOHNSTON: Overflow circulation?

MR. COPPS: I had in my little summary that I prepared, if I may offer this example, I think that we are always going to have a lot of magazines coming in to Canada from the outside, but if the economics of the industry are good in Canada we will produce good Canadian magazines that the people will buy. In the City of New Westminster which is just outside of Vancouver and whose people are within easy commuting distance, side by side with Vancouver where the big Vancouver papers, the Sun and the Province, big colourful papers, can be on their doorstep almost as fast as they can to Granville Street in downtown Vancouver, but the New Westminster paper is a good local paper and the Vancouver Sun and others that go in there cannot compete. The New Westminster sells 17,000 papers in a town of 31,000. That is one out of every two

people in the city. The first choice of everybody, obviously, in New Westminster is the local paper. They might buy the others for supplementary reading. I suggest the same thing would happen if we have good Canadian magazines. They will sell them because they are the ones that give the space and the understanding of the local material.

COMMISSIONER JOHNSTON: Of course, your local and weekly paper has a monopoly within the community.

MR. COPPS: Certainly New Westminster does not have any monopoly. You mean monopoly of interest?

COMMISSIONER JOHNSTON: Monopoly of interest.

MR. COPPS: Where they have a monopoly of interest, Canadian magazines would have a monopoly of interest if you want to consider Canada as a small community adjoining a larger one.

COMMISSIONER JOHNSTON: We have to produce a recommendation that would be acceptable, we hope, to the Canadian people.

MR. COPPS: I will suggest a recommendation acceptable to the Canadian people. I suggest that the anti-dumping provisions of the tariff be provided against editorial content in those magazines. I think the tariff -- the Customs Act and the tariff --

COMMISSIONER JOHNSTON: Tariff Act.

MR. COPPS: The Customs Act and the Customs tariff contain provisions, and I am not a lawyer, but it seems to me certainly the spirit of these acts is to prevent this sort of thing.

Perhaps, you feel a certain responsibility for depriving Canadian business firms of this bargain advertising they are getting right now. This is one effect it will have on what you call the "Canadian consumer". I don't think a Canadian firm will be deprived of anything if, instead of buying an ad in Reader's Digest for $3600.00, they invest the same amount of money in, say, Maclean's and get $3600.00 worth of advertising.

COMMISSIONER JOHNSTON: I am not thinking of advertising. I am thinking of the reader.

MR. COPPS: The reader will be deprived of nothing. I think, as Mr. O'Leary told somebody who came here earlier, if these Canadian editions were abandoned tomorrow, what would the Canadian reader lose?

COMMISSIONER JOHNSTON: I was not thinking of that particularly. What I am thinking of is if Reader's Digest sold for 50 cents in Montreal and 25 cents in Albany, New York, the Canadian people wouldn't like it.

MR. COPPS: I don't think it will sell for 50 cents. Maybe you have put a good argument in their minds. I don't think it will sell for 50

cents, because they could make money selling it for 13 cents, or whatever it is.

COMMISSIONER JOHNSTON: They have got to recover their costs somewhere.

MR. COPPS: They will recover their costs if they charge the Canadian people for the paper, the extra paper that it is printed on.

COMMISSIONER JOHNSTON: I think you have got a lot more selling on that idea to do.

MR. COPPS: Whom has to do a lot more selling?

COMMISSIONER JOHNSTON: You.

MR. COPPS: Well, it is not my responsibility. You are the one that has to sell it.

COMMISSIONER JOHNSTON: I have no more questions, Mr. Chairman.

THE CHAIRMAN: Mr. Beaubien?

MR. BEAUBIEN: I have no questions.

THE CHAIRMAN: Mr. Copps, did you consult any experts, any people with concise knowledge and experience on the application of the anti-dumping laws to the proposition you made?

MR. COPPS: I am not advancing a proposition, Mr. O'Leary.

THE CHAIRMAN: You are advocating the application of the principle of the anti-dumping legislation.

MR. COPPS: Pardon?

THE CHAIRMAN: You are talking of the adoption of the principle of anti-dumping to this situation?

MR. COPPS: Yes.

THE CHAIRMAN: Did you make any inquiries anywhere among people who would be expected to know how this could be done, as to how it could be done?

MR. COPPS: I mentioned in my brief that this is obviously an approach that the Canadian Government has considered up to now. Certainly they have. I mentioned in my brief, I acknowledged the possibility that some loophole exists here, and I say, I am not a lawyer. I am not a expect. It is quite possible that this exists. If it does exist, it should be plugged.

THE CHAIRMAN: You are putting it on that basis?

MR. COPPS: That is the basis I submitted it to you.

THE CHAIRMAN: Let me ask you this: when you talk about advertising being based on circulation, middle-line rate, or call it anything else, do you know of any country in the English speaking world where advertising is not based on circulation?

MR. COPPS: A I say in my brief, again, Mr. O'Leary, within the market, within the same market this is a good measure.

THE CHAIRMAN: Very well, let us carry on a little further. Time Magazine, let us take it as an illustration, is selling totals in the Canadian markets. It is not selling its total circulation. It is soliciting advertising from the Canadian advertisers on the basis of this circulation in Canada. It would be impossible to solicit advertising on the basis of its total circulation, because that total circulation would be of no value to the Canadian placing advertising in that magazine. How else could Time do this? Surely, Time could not go to two hundred and twenty thousand advertisers - shall we say, go to the advertisers and say we are going to charge $13,000.00 a page for a page of advertising for 13,000. Surely, when selling to two hundred and twenty thousand people in Canada, this is what they must tell the advertisers. Would you have the State control them to fix the advertising rates?

MR. COPPS: No, they could fix their advertising rates at any point they wish. All I would have the State do is, when you bring this merchandise, which is editorial content across the border, tell them, sell it at its fair market value. You can't come across the border with an automobile or product produced for $2 million dollars and sell cheaper. You have to have a fair market value.

THE CHAIRMAN: They are selling for two hundred and twenty thousand people at so much per page. Is that not fair market value?

MR. COPPS: They don't know how many people they are selling to when they bring it across the border. They know how many they sold last week.

THE CHAIRMAN: They know precisely how many they are selling it to, not perhaps to one or two subscribers, but they know the circulation rate, and the advertising agents know it and the man placing the advertising knows it.

MR. COPPS: As I mentioned in my brief that is not the intrinsic value. The intrinsic value of an article when you bring it across the border has other aspects.

THE CHAIRMAN: I am talking about the intrinsic value to the man placing the advertising. He is advertising in a magazine which has two hundred and twenty thousand circulation. You say this is unfair, but I do not know how advertising rates are fixed otherwise. Take the Ottawa Journal. Obviously with our 70,000 circulation we cannot have the same advertising rates as the Toronto Star with 400,000.

MR. COPPS: You produce a cheaper product.

THE CHAIRMAN: Our rates are based on the 70,000 circulation.

MR. COPPS: They are based on that, but they are also based on the costs of production. When you state your advertising rates - let me put it to you this way: I have a little analogy, if you will give me the time to read it to you.

Visualize the editorial content of a magazine as a sort of omnibus which is manufactured at a certain cost, let us say $100,000. The owner of this vehicle does business with two kinds of customers: the riders, or readers if you will, and advertisers who put their placards

inside the omnibus. When he sets his price for riders and advertisers the owner computes them so that both types of customers will pay off the $100,000 overhead of manufacturing the bus. There are also operating expenses - gas and oil, or paper and ink - and both types of customers pay their share of these too. Now, suppose that he puts this vehicle on the road in the U.S. He estimates his costs beforehand and sets his passenger rate at 25¢ and his advertising price of $100.00 per placard. With the revenue from both sources he eventually pays off the cost of the bus, the operating expenses and makes a profit.

Now, let us examine the situation if this manufacturer decided to export this same omnibus to Canada. His Canadian route is shorter, so he saves money on gas and oil. He charges the same 25¢ per ticket as he did in the U.S., but he gets only one-tenth as many passengers Naturally, the Canadian advertiser is not going to pay the same price as the American to show his placard to one-tenth as many people. So, the bus line operator has to cut his ad rate 90% and sell the same placard for $10.00 that he sold for $100.00 in the U.S.

His rider revenue is only one-tenth of what it was in the U.S. His advertising revenue, even if he sells as many placards in Canada, is also only going to be one-tenth of what it was across the line. As we said, he is driving a shorter route and his operating expenses are lower. The big overhead cost of the bus is the same. Assuming his price structure in U.S. was sound and equitable and that it was based on the cost of production, he is quite obviously

not going to meet the overhead cost of the bus with this skimpy fraction of revenue he is getting in Canada.

One of two things is going to happen: He is going to go broke and abandon the Canadian operation, enterpri or he is going to write off the cost of the vehicle, dump it on the Canadian market at a fraction of its cost and continue giving Canadian riders and advertisers the service of his product at a fraction of its fair value.

In the case of a real bus, of course, the alert Department of National Revenue would not allow an American manufacturer to bring a $100,000 vehicle across the border and pretend it was worth only $10,000. The Government would consider the production cost and the market value and it wouldn't be diverted by a lot of irrelevancies about how much gas and oil they are gong to use or how many riders, or the reader-rate of the placards the manufacturers hoped to sell in this country. No, the Government in that case would see that the importer paid the duty on the real value of his imported merchandise, and a dumping duty if it was under priced. In that way they make sure that this flashy, fluorescent-lighted bus didn't run along Canadian highways and pick up passengers from frme dingier Canadian operated buses.

Unfortunately, this protection that all other Canadian businesses get, is not extended to the magazine publishing industry. They bring in their expensive vehicle across the border, and trade it to Canadians at prices which bear no relation to its cost. Then, when a Commission like this one is appointed to inquire into the reasons why

their Canadian competitors are being overwhelmed, they come here to lecture us about freedom of the press, or to offer us kindly advice on how to produce better magazines.

COMMISSIONER JOHNSTON: I have a question. I wonder if we are not at cross-purposes, because it seems to me what you are advocating is a customs duty or dumping duty on editorial contents...

MR. COPPS: What we are thinking of...

COMMISSIONER JOHNSTON: ...whether they have advertising or not.

MR. COPPS: My point is they do not bring in advertising.

That is not imported into the country. The only product they bring in is editorial content. I think the government has been confused all along because they have been thinking in terms of circulation and advertising in this country. That is not what they bring in. They bring in editorial content, the expensive product produced at great price in the United States, sell it to readers and advertisers at a fraction of the value, and then we wonder why Canadian magazines (which cannot produce a product like this for that kind of money) fail to keep up with it.

I have failed completely if I have not shown you that this editorial product is being brought in here at a fraction of its value, and for every other business of which I can think in Canada you are just not allowed to bring in merchandise the cost of which has been written off in another market and sell it here for a fraction of its value.

Mr. Diefenbaker says that this is an essential industry. It would seem to me that this would be one of the first places at which the government could act to protect the local Canadian producer.

COMMISSIONER JOHNSTON: I find your brief and your argument very, very interesting.

MR. COPPS: If it is not impressive, I

am disappointed.

THE CHAIRMAN: Thank you very much, Mr. Copps.

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Submission of Mrs. Freda Nevill.

THE CHAIRMAN: Mrs. Nevill, do you wish to amend your brief?

MRS. NEVILL: I would like to.

THE CHAIRMAN: Do you wish to delete something from it?

MRS. NEVILL: I would like to modify paragraphs 2 and 5 and delete paragraph 7.

THE CHAIRMAN: Very well.

MRS. NEVILL: My submission to the Commission is made as an individual. As an individual I have considered the terms of reference of the Commission in relation to the economic situation and the cultural position of and prospects for the Canadian publishing industry and its allied fields in Canada.

I am the individual reader, the purchaser, actual and potential, of Canadian magazines and periodicals. I have asked myself why so often I buy American magazines rather than Canadian ones. I do buy them in the proportion of six American to one Canadian. I tried to find the answer and it seemed to me principally that there was a stuffiness about the Canadian magazines that I am buying.

Acknowledging and appreciating the Right Honourable John G. Diefenbaker's earnest hope for a Canadian identity and unity, a hope often expressed and widely echoed throughout the nation, I

nevertheless sincerely believe that therein lies the justification for the accusation of jingoism, parochialism and the regard for sacred cows. By shouting "Let there be Canadianism" we destroy ourselves.

To compete with foreign periodicals of various forms we must not insist on the Canadian identity. Let it develop naturally; let it evolve. If we insist, and insist, and insist on Canadianism, that way lies boredom for the readers, self-destruction for the publication and foeticide for the Canadian identity. We are killing it before it is born.

Among the men of letters in Canada there does seem to me to be an unfortunate petulance, a resentment against the new Canadian, a cavalier disregard for praxis, a disdain for the Old World which nullifies all high-sounding appeals for a united Canada.

I would like to interject that despite my English accent I have been here for over thirty years.

If we do not keep an open mind for the good the immigrant, the New Canadian, may contribute to our culture, if we do not listen to him, allow him to tell us how it was done in his former country, we are closing our minds to much. In our premature, indeed immature, anxiety to present the Canadian way to the world, we are

perpetuating a narrow way and declaring ourselves a narrow nation.

To get out of the Dark Ages we must let in the light. The light of other cultures. Willingly, let us grasp the wealth our new Canadians bring to us. Let us not snear at their Old Country tales. Let us use them in our publishing houses. Let the immigrant contribute all that is best from all over the world. The Canadian identity will emerge, inevitably, indubitably; and it will be indestructible.

An insistence on Canadianism in our publications will stifle and gag us.

If something is good people will buy it; they will buy it regardless of nationality but they will remember its nationality. As the individual reader I have bought magazines all over the world. I have bought Time, Vogue, Good Housekeeping, Country Life, the New Yorker and many more. I have bought them not becuase of their nationality, but rather because of their very cosmopolitanism; above all for their very lack of striving for a view point or character.

To come nearer home, the Commission will be aware of the magazine published in Vancouver, B.C. "Western Home and Living". Here is a simple publication, directed to the western homeowner and home lover. It doesn't, apparently, set out to

have any particular policy other than to interest those people; merely to provide colourful material well represented. In concentrating on doing a good job and not on being Canadian, this publication has acquired an aura that is distinctly Canadian. An American picking up the magazine in Seattle or San Francisco, as my friends have done, would have no hesitation in referring to it as a good little Canadian magazine.

Within the pages of this magazine, are interesting adaptations of other cultures, for example, Japanese, as applied to the Canadian scene but the word Canadian rarely appears in article material or captions. Western, yes; but Canadian, no.

On the other hand, take Liberty. Issue after issue has this earnest striving for Canadianism. For example, a simple story is set in Vancouver, apparently to make it Canadian. The scene could just as well have been in Philadelphia or Pretoria. There is no other identification with Vancouver - no descriptive passage to create a subtle memorable image of a distinctly Canadian city. In our anxiety to establish the Canadian identity we make our city Canadian by insistence, rather than by implication. This is typical of the straining and striving for Canadianism which defeats, irrevocably, its own object.

There is an earnestness about being Canadians which permeats through all media of communication; an earnestness which is stultifying; an earnestness querulously disavowed by those to whom the criticism applies. If we could learn to laugh a little more, particularly at ourselves; if we would concentrate on quality and cosmopolitanism rather than on Canadianism; if we could have not new measures, but a new attitude; then we would have no fear from foreign competition.

THE CHAIRMAN: Mrs. Nevill, thank you very much. There is just one question I would ask you.

Even if we accept your premise (which you have stated so well) what would you say if, still believing all of this, you felt that a condition was growing up - we do not need to describe it - which in five, ten or maybe fifteen years would leave Canada without any periodical press? Would you then, still holding these views, say that this was alright with you?

MRS. NEVILL: No, Sir; I would be very sad.

THE CHAIRMAN: Then you would not disagree too much if something were done which you thought would prevent what I have described to you, namely the complete loss of a Canadian periodical press, not stressing Canadianism

necessarily, but at least discussing and debating Canadian life and Canadian views which are made in politics and so on. You would go along with that still holding these views you have expressed to us?

MRS. NEVILL: Yes.

THE CHAIRMAN: The two are not in conflict?

MRS. NEVILL: No.

THE CHAIRMAN: Your view is that if it were shown that what periodical press we have could or might disappear, something might be done about it to avoid that happening?

MRS. NEVILL: If a way can be found to stop it disappearing that would be very good.

EXHIBIT NO. V-17: Submission of Mrs. Freda Nevill.

--- Luncheon adjournment.

--- On resuming at 2:00 p.m.

MR. QUINN: Exhibit V -18- Submission of the Graphic Arts Association of British Columbia.

MR. PITFIELD: Would you identify yourself please sir?

MR. MAHONEY: Richard A. Mahoney, Secretary-Manager Graphic Arts Association of British Columbia. This brief, which with your permission I propose to read into the record, is signed by our corporation secretary, Mr. F. McIntosh, who is unable to be here. I have two associates who planned to be here, but they are not punctual.

Submission of the Graphis Arts Association of British Columbia

The Graphic Arts Association of British Columbia is composed of approximately 45 printing and lithography firms combined with allied shops such as trade shops and trade binderies. The membership is almost entirely located in Greater Vancouver. Printing and lithography work done by the association members accounts for more than 80 per cent of the commercial printing in the area. The association has been in existence for many years, is affiliated with the parent Canadian body - Graphic Arts Industries Association and with Printing Industry of America Inc.

Members of the association are most grateful for the opportunity of presenting their views to the Commission and to the best of their ability the representatives present will be pleased to supply any additional information which

may be required.

The Graphic Arts Industries Association which is our national body submitted a detailed and lengthy brief to this commission on behalf of the Canadian Printing Industry as a whole. The B.C. Industry of course, supports this submission. For this reason the following brief is short and concise. We have not knowingly repeated any of the points or material which were contained in the submission from the national body. The B.C. industry however, wishes to assure commission members that the printing industry in this province is keenly interested in the matters before this commission. As part of the printing industry in Canada, British Columbia printers suffer from similar problems and are aware of certain handicaps to the industry because of social, economic and political developments within Canada. As stated previously, these are all points which were brought out clearly in the brief submitted by the Graphic Arts Industries Association. There are however, some local industry problems and characteristics with which the commission should be acquainted.

The printing trades industry in British Columbia is of substantial economic importance. Latest figures available combined with some estimates indicate that the industry's annual sales volume is approximately sixty five million dollars. The number of employees directly employed on a permanent basis is about fifty five hundred and the total investment in plant and equipment is in the neighbourhood of twenty-two million dollars. As the commission has already been made aware, there are in addition to the above, many indirect cultural and economic benefits

accruing to our society from the existence of a prosperous and substantial graphic arts industry.

The printing industry locally, is faced with problems of long distance transportation for paper and machinery. It also faces the problem common to much of B.C. industry, namely limited markets and extensive finished product transportation cost. Added to this are high miscellaneous costs, high labour rates and a very militant trade union movement which has during the past few years, constantly threatened and in some cases actually caused serious work stoppages. These aforementioned factors provide more than a usual load of problems for an industry which even under favourable conditions, has always had a reputation as a "low profit" business.

The graphic arts industry in British Columbia needs all the help it can get to continue in a healthy and prosperous condition. However, this association wishes to make it clear that by help it does not mean subsidization or special Government dispensation of any kind.

The industry is prepared and anxious to stand on its own feet economically - however, by help, it does mean that where Government policy with respect to taxes, tariffs, postage or import regulations is such as to put the local industry in an unfair competitive position with that of other countries or other areas, the policies responsible for such conditions should be changed. In addition where Government policy has established public printing plants which do not have to face price competition and which deprive

the industry of considerable business volume, such plants should be examined carefully as to their economic justification.

Given moderate encouragement and a reasonable opportunity to compete on equal terms with printing industries in other countries, our industry in British Columbia can do outstanding work both in terms of quality and quantity. We have one company in this area which is equipped to run Time Corporation Magazine's weekly Western Canadian Time issue. The company in question has already been in touch with Time Corporation in New York with a view to this very possibility. The Webendorfer Publication Press with which this company is equipped is the press which can do this publication job and which incidentally is in use for this purpose already in other areas. As well as this press, the company occupies a new building of 73,000 sq. ft., employs over 200 craftsmen and is well equipped to handle large run jobs.

Some of the printing and lithographic work done in Vancouver is of quality unsurpassed anywhere on the continent. As an example during the past ten years several awards have been won by local firms in both the American Institute of Graphic Arts annual competition and in the National Offset Lithographers Competition. Typography "58," the top Canadian typography award of that year was also won by a Vancouver company. We submit these as evidence of the effort expended to achieve quality in the local industry.

Our association is aware that the prime purpose

of the commission is to investigate publications. While this submission has been concerned with the Graphic Arts industry as a whole, the health and condition of the periodical industry in the province is an integral part of the health of the printing industry.

There are approximately forty-two periodicals printed by the British Columbia commercial printing industry. These publications are listed in the appendix to this submission along with the date on which they commenced publication, their frequency and their circulation. It is estimated that the cash value of the printing in these periodicals for the year 1960 is $1,250,000.00. In addition, there is a cash value for engraving, editorial and advertising material etc. of approximately another $300,000.00.

Publishing employs about one-quarter of the facilities of the province's printing industry. Its importance then is clearly evident. However, its continued existence is even more important than the figures indicate because of its "bread and butter" aspect. It is steady business, does not require a high selling cost, is largely predictable and can be scheduled for production with efficiency.

An examination of the commencement date of the periodicals listed in the appendix gives clear evidence that there are few successful new periodicals coming into the publishing field in B.C. There are others not mentioned here which have gone out of business. This means that the printing industry is being depleted of some of its bread and butter business.

It is not within the scope of this submission to consider the reasons for depressed conditions in the publication industry. It is however, palpably obvious that a healthy group of periodicals is essential to a healthy printing industry at its present capacity. Any factors such as encroachment of foreign based publications must be considered as a serious deterrent to the health of the printin industry.

This concludes the submission. Once again the association wishes to express its thanks to the commission for the opportunity of presenting its views.

Respectfully Submitted

Mr. F. McIntosh, President,
Graphic Arts Association of B.

MR. MAHONEY: Mr. Chairman, if I could just add a brief remark or two. The printing association feel that it is out of the main stream of the Commission's interest in this inquiry, and didn't feel well enough acquainted to submit intelligent comments on some of the questions that will come up, but we are vitally interested in the matters with which this Commission is concerned.

COMMISSIONER JOHNSTON: The printing industry is able to import practically all its machinery free of duty. Is that so?

MR. MAHONEY: Jim Alexander, a member of our association, and manager of Seymour Press Limited, can answer that better than I.

COMMISSIONER JOHNSTON: I wanted to get on the record that you bring in duty-free your printing equipment?

MR. ALEXANDER: The printing equipment which is not of a like kind or quality manufactured in Canada.

COMMISSIONER JOHNSTON: Is there any manufactured in Canada?

MR. ALEXANDER: Yes, considerable components of printing equipment, for instance wood and metal furniture as we call it, which is part of typesetting equipment, is made in Canada, and therefore protected by duties and tariffs Paper is a large and important part of publication printing, and paper is dutiable normally, but it is possible to obtain paper duty free of course for tax exempt periodicals. Unless a periodical is published four times a year, it does not obtain these special privileges. I would like to make a comment of my own. It seems to me that the eleven per cent federal sales tax is applied at the retail level of the printing. In other words, $100 of printing carries tax of $11.00 but $100 worth retail of other manufactured articles, such as shoes, would carry an eleven per cent tax on the wholesale price. This means that printing carries, I would estimate, about double the normal amount of taxation on a lot of other manufactured goods in Canada.

COMMISSIONER JOHNSTON: I think the commercial printers should get busy with propaganda on that. Do you import paper for this?

MR. G. C. HYATT: Equipment imported for the production of scheduled periodicals may, and is imported free of tariff from anywhere in the world. We do import paper for periodical purposes, and it does come in free of the twenty-two and a half per cent tariffs. this frequently

leads, as the Canadian fine paper manufacturers may well represent, to a Canadian printer going immediately to an imported sheet if he is engaged in production of an unscheduled publication.

COMMISSIONER JOHNSTON: I don't know why Canada, of all countries, couldn't compete in the supply of paper?

MR. HYATT: In the United States, the market being ten times greater by population, the individual job lot or run of any specific grade and weight of paper is much larger in the United States. This does give them much lower unit cost. Two paper mills of equivalent capacity in the United States on the one hand, and Canada on the other, you will find that the Canadian mill, in order to maintain its volume, must and does make much smaller lots of individual specifications, and this leads to higher costs of their product. This is particularly noticeable with the entry into the paper market of the southern United States paper mill with fast growing southern pinewood lots available. As an example, a large paper company in Canada does succeed in manufacturing some tonnage for U.S. national publications for use in Cuba and in the Caribbean, but they cannot compete for the supply of paper for the same publication either in the United States or for its Canadian requirements.

COMMISSIONER JOHNSTON: I cannot understand. I understand also that the Canadian edition of Time is printed on Canadian paper and that is by arrangement with the United States?

MR. HYATT: Are you sure of that?

COMMISSIONER JOHNSTON: I was told by the man who sells them the paper.

MR. HYATT: Time Magazine, in an endeavour to co-operate in this regard do buy a large tonnage of Canadian paper, whether it is paper used for the Canadian edition or not, it is certainly equivalent. The Canadian edition is presently produced in Chicago.

COMMISSIONER JOHNSTON: I know that. Why is it you import paper when you can buy the same quality paper in Canada? I think the experience with the eastern printers is, there is no advantage in buying imported paper?

MR. HYATT: The market for paper is not the same in Eastern Canada as here. The paper chiefly used for scheduled publications is machine coated, and there is no machine coated paper manufactured in Western Canada. However, it is manufactured in the Western portion of the United States. Therefore in Western Canada we are in the position of measuring the cost of Eastern Canadian paper from say, Port Arthur, against the cost of either duty paid or duty free paper from the West Coast of the United States mills. In the case of duty free paper imported from West Coast mills in the case of Vancouver the cost would be sufficiently higher that we would be induced to buy from Port Arthur. In the matter of scheduled publications, however, the duty free cost of paper landed in Vancouver is between fifteen and twenty per cent less than that from Port Arthur.

COMMISSIONER JOHNSTON: A matter of transportation?

MR. HYATT: Yes sir.

Submissions by Mr. C. H. Thorn,
President of Design for Metropolitan
and Country Living Publications Limited

MR. THORN: Mr. Commissioner, and gentlemen, I suggest I read my brief, if this is in order.

THE CHAIRMAN: Yes, indeed.

COMMISSIONER JOHNSTON: That was the letter that Mr. Pitfield had this morning?

MR. THORN: Yes. I will carry on. The brief was sent forward to the University on Friday last, addressed to Mr. O'Leary, Chairman, Royal Commission on Publications, Vancouver, B.C.

Whereas a Royal Commission has been set up to inquire into publications emanating from the United States, and their effect on the Canadian public, we submit the following:

We suggest that publications dealing with home planning, home design, and home renovations published in the United States, work a costly hardship on the Canadian home building public, inasmuch as home plans offered for sale through such publications by home planning services in the United States, do not conform to our Canadian standards or the National Building Code of Canada.

It is further submitted that the purchase price of American plans is a total loss, causing further expense in the re-design of such plans to bring them up to Canadian standards and the

National Building Code.

The public is not advised of this condition in advance, and only becomes aware of it when presentation of the plans is made to Central Mortgage & Housing Corporation or a lending institute, in Canada.

In addition to the costly waste of money for plan purchases as outlined above, the advertising content of American publications in many instances presents products not available in Canada, which, it is submitted, is misleading.

Such advertising being solicited on a total circulation including Canada, even though such products are not available in Canada, adds to the confusion and disillusionment. Thus, a large amount of subscription dollars is being sent out of the country for publications which are of very little practical value to the Canadian home building public.

If it is deemed that these publications should continue to be allowed on the Canadian publications market, the following suggestions are submitted for your consideration:

(a) Advertising content to bear in a prominent place the information as to whether or not such product is available in Canada.

(b) House plans for which working drawings

or blueprints are offered for sale state in a prominent position that they are approved and acceptable to the National Housing Act and conform to the National Building Code of Canada. It should be pointed out that conformity to the Federal Housing Act of the United States does not carry conformity to Canadian or National Building Code standards.

For the consideration of the Commission, it is pointed out that there are adequate and excellent home planning services, as well as Canadian architects who design to the National Building Code, complying with civic and municipal regulations. Therefore in being encouraged to purchase what appears to be an inexpensive set of plans, the Canadian public is being misled, as invariably these plans must be re-designed at a further expense and inconvenience to the purchaser.

This brief is submitted by Metropolitan and Country Living Publications Ltd., publishers of "Design for Metropolitan and Country Living", an all Canadian publication, featuring editorial on the National Housing Act of Canada, and a wide selection of plans and designs to Canadian standards, along with all-Canadian advertising.

COMMISSIONER JOHNSTON: This magazine,

Design for Metropolitan and Country Living -- this is the publication? (showing).

MR. THORN: That is it, sir.

COMMISSIONER JOHNSTON: Do you mind a pertinent question? Do you make any money on it?

MR. THORN: Yes.

COMMISSIONER JOHNSTON: You do. What is its circulation?

MR. THORN: This is the second issue out on this. The first one was a pilot issue. The second issue out is a 10,000 run and next spring we are going to go national, across Canada, which will be about a 50,000 run.

COMMISSIONER JOHNSTON: How do you distribute it?

MR. THORN: Through the magazine dealers, through the department stores, lumber yards, and so on, throughout the country. Distribution is all handled through the magazine distributing agencies.

COMMISSIONER JOHNSTON: This is very attractive.

MR. THORN: I have some further letters here from the distributors. If you wish to read them, I can leave them with you. They can be mailed back to me. They will show you at least how the publication has been accepted.

But, I would like to say, with your permission, Mr. Commissioner, one more thing on

my brief, that is important.

We operate as well a planning section. We operate the building section, which is design designers. I have so strong a feeling on this planning coming in from the United States. We re-design most of these American plans that come into our area and I might say the cost of re-designing runs as high as $125.00, $150.00, $175,00, where the people have bought those original plans in the United States, costing $35.00 or $45.00; so, it is running above the $200.00 figure. It is true, plans are appearing that are not useable in Canada because the average person going to build a home is not familiar with any terms or references..

COMMISSIONER JOHNSTON: Are you an architect?

MR. THORN: No, sir.

THE CHAIRMAN: What is the subscription price of this magazine?

MR. THORN: There are no subscriptions on this. This is re-sale at $1.00. The price is on the cover, on the outside. It retails at $1.00, and it is supplied to the distributor at 50 cents.

COMMISSIONER JOHNSTON: Do you get a good display in the newsstand?

MR. THORN: Yes, very excellent.

COMMISSIONER JOHNSTON: One thing that I was interested in on this was the import of housing plans. Is there not a duty on such plans?

MR. THORN: There is, as I understand it. I think a lot of it comes through the mail without duty. This is something I have no knowledge of, other than I know there is supposed to be a duty on plans.

COMMISSIONER BEAUBIEN: Have you any idea as to the number of plans that come in in a year?

MR. THORN: We are not too badly affected on this coast; but, while in Ottawa, six months ago, I understand from my contacts in the east, that the east and the prairies are flooded with American plans. You would get this information from Central Mortgage and Housing in Ottawa. They have the full information on that. It does affect them very materially in the east and on the prairies.

But, I felt that while you were here I may as well voice my opinion on this.

COMMISSIONER JOHNSTON: The duty on the plans is really a duty on professional services?

MR. THORN: That is right. But, though these plans coming in -- a lot of them are designed by American architects and sold on a stock plan basis -- they are good plans in the United States; but in Canada, they do not apply. The width of a concrete wall, etc., in a Five Star Better Homes and Gardening Plans calls for a six inch wall; but, we must have an eight inch wall, and if the grade is high, we must go to a ten inch. At one time,

one could take a plan and make those corrections right on the blueprint to conform to Central Mortgage and Housing specifications, but not any more. They must be redrawn to suit the N.H.A. requirements and this is costly as far as the average home owner is concerned. This is a double expense.

COMMISSIONER JOHNSTON: Do they get specifications with those plans?

MR. THORN: They are available, but they would not apply, again because the materials would be different. Your grading of lumber would be different, as opposed to our Canadian standards. Your wiring would be different.

COMMISSIONER JOHNSTON: Do you know anything about engineering plans?

MR. THORN: The engineering end is, again, different. Their spans are different, using their American timbers. They are different to the Canadian standard requirements.

THE CHAIRMAN: Who would buy such plans, just home builders or contractors?

MR. THORN: Home builders, contractors. Persons going through these magazines see an architect's plan and there is an order form at the bottom, and you send so many dollars and order it, and that is it. This is how it comes about. Then, they submit it to a mortgage house for mortgaging value and they are turned down

immediately, because it is an American standard; so, there is no mortgage money available to them for the plan, which necessitates re-designing the plan to their liking.

THE CHAIRMAN: Does not that condition check the practice fairly well, if they could not get a mortgage on the plan that they bought?

MR. THORN: Yes. But, sir, you have already bought and paid for the plan. It is not refundable.

THE CHAIRMAN: The news would get around, surely?

MR. THORN: We always hope so, but, does it? We are always re-designing them. As far as we are concerned, it is fine business, but it is not good business for the public.

COMMISSIONER JOHNSTON: I suppose a lot of people who buy those plans are individuals who are, perhaps, hoping to do a large part of the construction work themselves; they would not need an architect or an engineer to tell them anything?

MR. THORN: Not necessarily. The average person building a home has never built or had anything to do with home building before in his life. It is a new venture. It is a hope that I think everyone has -- home ownership -- and they get wrapped up in a plan and the price is very reasonable and so they order the plans and I think this is how it comes about.

But, as I have said in my brief, it if were shown somewhere in the plan that it was not to N.H.A. standards, or Canadian standards, then, I think this would be a deterent to those buying the plans and, eventually in place of ordering a stock plan through the magazine, they would go to their local architect, here in Canada, or a Canadian design service, which would solve it.

COMMISSIONER JOHNSTON: Thank you very much. That is quite enlightening.

MR. PITFIELD: Mr. Chairman, this will be entered as Exhibit No. V-19.

EXHIBIT NO. V-19: Certain editions of Canadian literature.

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MR. PITFIELD: Would you identify yourself, sir?

MR. WOODCOCK: My name is George Woodcock. I am the Editor of Canadian Literature, University of British Columbia.

SUBMISSION BY CANADIAN LITERATURE

Appearances: George Woodcock, Editor.

MR. WOODCOCK: Mr. Chairman, if I may, I would like to say a few words before I read the brief.

Canadian Literature is an example of a class of magazine which has begun to appear in fairly recent years in Canada. That is, a cultural magazine which is devoted to investigating aspects of Canadian culture. The first of these, and I think, the most prosperous is Canadian Arts, and then there was Canadian Music Journal and now we have started to publish.

Canadian Literature investigates writings and writers in Canada.

All these magazines, of course, have for their aim to study certain aspects of the cultural identity of Canada. I think that they are important because they really develop, they help to develop our sense of the image of Canada and the characteristics of Canadian life, the characteristics of Canadian thought and the characteristics of Canadian creativity. They are magazines which are somewhat limited in their scope. They explore fields which have not yet been explored with quite the same intensiveness.

For this reason they have to start right from the beginning and create their own public. I think that everyone of these magazines has established fairly quickly a nucleous of interested readers. They have all found it a rather slow and difficult task to reach the potential public to which they might appeal. I think their problem is a special one and a decided one, and one with which I am most familiar as Editor of Canadian Literature. It is one I will touch on in the brief.

I should say the brief has been prepared in consultation with the University Committee which advises on Canadian Literature and decides the policy. The Chairman, Dr. Daniel is present in the room. This is the brief:

This brief is submitted on behalf of Canadian Literature, a quarterly magazine published by the University of British Columbia and devoted to the criticism and review of writing and writers in Canada. Canadian Literature has been in existence for eighteen months, and will shortly publish its sixth issue.

There is little we can say from direct experience on one of the main issues before the Commission, that of competition from publications largely or entirely edited outside Canada, since the specialized aim of our publication—the study of a specifically Canadian cultural field-makes direct competition from abroad unlikely. How far indirect competition exists, in the sense of a multiplicity of cultural magazines of various kinds demanding their share of the readers' budget for periodicals, it is hard to estimate.

However, it is our opinion that subscriptions to cultural reviews are governed to a great extent by the professional needs and personal tastes of the readers; where competition is most evident, it is usually in the legitimate field of relative excellence.

The problems of the cultural periodical lie in other directions. By its nature it is always a small undertaking in the sense that it can never hope for a mass circulation of, say, 3,000 copies, and rarely does one of them reach this point.

This means that such a magazine has a relatively modest financial structure and that its means of making contact with potential subscribers are necessarily slow; it seeks to gather interested individuals rather than to attract mass reading publics.

For this reason there is always a period of some years during which a cultural magazine must build its group of supporting subscribers and keep them through the sustained quality of its material. During this period it usually depends partly on some kind of direct or indirect subvention, and when it does stand on its own feet financially it can rarely rely on subscriptions and the sale of individual copies to meet its entire production and operation costs. A substantial secondary income from some such source as advertising is still necessary.

At this point it should be remembered that the actual sums of money involved in the production of a cultural magazine are, comparatively speaking, slight. The operation and production budgets of university quarterlies

and cultural reviews in Canada, unless there is some special reason for lavish art work, run around the $10,000 to $12,000 a year level, with variations depending mostly on number of pages, quality of paper and typography, etc. This means that relatively small changes in income can make great differences to the ability of such magazines effectively to fulfil their task of projecting to Canadians and to people abroad an important facet of the Canadian identity.

We therefore wish to make the Commission two modest recommendations which we consider might materially assist the cultural periodicals of Canada:

1. That the Federal Government be urged to distribute Canadian cultural periodicals as part of their plan for spreading information about Canada abroad, and that it buy a maximum quantity of each bona fide periodical of this type (say, a minimum of 300 copies of each issue), so that an example may be sent to every Canadian embassy, mission and consulate abroad and that larger numbers (10-20 in each case) may be sent to those missions, in places like London, Paris, New York, Rome, Washington, etc., where there are cultural attaches or information officers able to distribute them effectively; and

2. That advertisers and advertising agents be urged to recognise their responsibilities as patrons of the arts and to take their part in the task of projecting Canada to Canadians by supporting cultural magazines through advertising in them (bearing in mind that services to the community of this kind cannot be considered in terms of tangible profit and loss), and that the Govern-

ment should give consideration to means of encouraging this type of advertising.

EXHIBIT NO. V-20: Brief submitted by Canadian Literature

THE CHAIRMAN: How long have you been publishing this?

MR. WOODCOCK: About eighteen months.

THE CHAIRMAN: Are you publishing it at a loss?

MR. WOODCOCK: Yes.

THE CHAIRMAN: You say you have 3,000 circulation?

MR. WOODCOCK: No, I don't. That is the ambition of Canadian periodicals of this type. Our own circulation at the moment would be approximately, I think, 1,500.

THE CHAIRMAN: Would it?

MR. WOODCOCK: Yes.

THE CHAIRMAN: In British Columbia alone or outside?

MR. WOODCOCK: No, that is in Canada and with a fair circulation in United States, mostly to libraries, and some circulation in Europe.

THE CHAIRMAN: Is it along the line of DUO published in the United States for the encouragement of young, good writers and poets and so forth?

MR. WOODCOCK: No, not necessarily. The idea of the magazine is it is a magazine of criticism and review. We are really concerned with studying Canadian literature, with a criticism and a study of Canadian literature.

Generally speaking we wouldn't publish poems or stories. Occasionally, if the story has some special

interest or if a story or a poem by a dead author is discovered of some particular scholarly interest we would publish it. Generally we keep to critical and scholarly reviews.

THE CHAIRMAN: They would have to be established writers?

MR. WOODCOCK: Not necessarily, no.

THE CHAIRMAN: Talented writers?

MR. WOODCOCK: Talented writers, and we do encourage as far as possible young critics, the more the better, as far as we are concerned.

THE CHAIRMAN: I see here some writer says: "By the time I left McGill, I was pretty confused."

I must say speaking for myself that I have the greatest sympathy with your presentation. I believe in the little magazines. I believe in the University magazines. If there is a cultural side to what we are trying to do and I believe there is, then it is hard for me to see how we could exclude consideration of the magazines being turned out by the Universities.

Yesterday your Vice-Principal, Mr. Goeffrey Andrews reminded me of the struggle the Irish had against the English when they were flooding Ireland - not only flooding Irish publications, but actually establishing within the country --. The Irish Times, and a very good newspaper it was, too. While there was a successful fight against it, it was not effected by the Dublin Review, which was a good and wealthy and powerful paper, or by Freemans Journal a wealthy and powerful paper or by the Independent, which

was, I believe, owned by the man who owned the Dublin Trams, Mr. Murphy. The fight was carried on and won by little magazines like this. For example, you will recall the Nation, Poets of the Nation.

MR. WOODCOCK: Yes.

THE CHAIRMAN: Thomas Frances Maegher, Blake Dillon Thomas Davis, and a man who became one of the Fathers of Confederation, Thomas Darcy McGee -- they were the people getting out these little publications that were sometimes published subterraneally, sometimes published in garrets or cellars.

They were the few that kept alive the spirit of Irish nationality.

When we speak of Canadianism and Canadian national spirit fighting against the almost inevitable pressure from this great and powerful neighbour to the south, these are the men I would look to to give us something of the soul and the spirit of Canada.

I am very glad, sir, you came and made this presentation here today. As far as I am concerned, I must say I am quite impressed with this and I wish to God we had more.

MR. WOODCOCK: Thank you, sir.

COMMISSIONER BEAUBIEN: You say you have 1500 subscribers?

MR. WOODCOCK: Actually a little less than that, I would say about 1200 subscribers. The rest are single copies sold through book stores.

COMMISSIONER BEAUBIEN: How do you build up your circulation list? Who is it sent to in general?

MR. WOODCOCK: A fair number of copies go to libraries. I would say possibly a quarter, possibly slightly more than a quarter, would go to libraries. The rest go to individuals. We gain circulation copy through lists which other magazines lend to us, through exchange advertising in cultural magazines -- it is very hard to say exactly how we get it. We get it by so many means,

and by personal contact. We have not had, of course, the money to advertise in any kind of substantial way. We have had to do it by word of mouth, obtain circulation lists, exchange advertisements, and by, more or less, word of mouth.

THE CHAIRMAN: Do other university magazines know about yours? Do you exchange with them?

MR. WOODCOCK: Yes, we do.

COMMISSIONER BEAUBIEN: How do you gather your material?

MR. WOODCOCK: Partly by request and partly by submission. I have a fairly wide acquaintance among writers in Canada and I make as much use of that as possible. Occasionally, manuscripts are submitted, and if they are found sufficiently good and within the scope of the magazine they are accepted and published. A large amount of the contents of the magazine is commissioned material. All the reviews, for example, are, of necessity, commissioned.

COMMISSIONER BEAUBIEN: Who would pay your deficit if you had one?

MR. WOODCOCK: We have at the moment a grant from the Koerner Foundation. We had an original grant, and we had a grant to meet the deficits. If there is further deficit, and we haven't yet come to the end of our first

full financial year, but if there is further deficit we shall have to seek elsewhere to pay it.

THE CHAIRMAN: Have you ever heard of the Canada Council? Have you had any connection with them at all?

MR. WOODCOCK: We have not made a submission to The Canada Council. I believe up to now the policy of The Canada Council has been to avoid giving regular subsidies to magazines. They would give subsidies for specific issues. I believe Tamarac Review obtained a subsidy for a special issue. I believe Canadian Art received a subsidy for promotion activities. But at the moment they do not give general subsidies for magazines.

THE CHAIRMAN: Would you accept a subsidy if it were offered to you?

MR. WOODCOCK: Oh yes.

THE CHAIRMAN: You would not feel it interfered with freedom of expression?

MR. WOODCOCK: No.

THE CHAIRMAN: I have already said, perhaps at too great length, that I found your submission intensely interesting.

MR. CLARK: My name is Clark. I am speaking in place of Mr. Bardel who is away due to illness. I am a Member of the British Columbia Photo-Engravers' Association which is submitting a brief to your Commission this afternoon.

I must apologize to the Commission for the sudden switch in personnel, but it was not within the control of Mr. Bardel. He presents his apologies to you for not being here.

Submission of British Columbia Photo-Engravers' Association.

The Association submitting this brief is comprised of the four major photo-engraving firms in British Columbia. The oldest firm was established in 1912.

The fact that this Commission has been established leads this Association to believe that there is some recognition of a Canadian publishing problem that is national in scope. We, as Canadian photo-engravers, consider that our industry is an integral part of the Canadian publishing picture.

The annual payroll of the photo-engraving firms belonging to the British Columbia Photo-Engravers Association is approximately two-thirds of one million dollars. There are 120 people directly working in the industry; and it is projected that the total number of people (wives and children of industry

employees) indirectly supported by the industry amount to approximately 350 people. Investment in machinery and equipment in our industry is in excess of half a million dollars in the Vancouver area.

Because of present Government policies or lack of them, as related to the field of Canadian publishing, it appears to be very difficult to promote an increase in the Canadian photo-engraving industry specifically in the area of new publications or expansion of present publications. Many proposed publications have been in the planning stage for some time, but with the present inroads of foreign periodicals it is not economical for them to commence publishing.

The duty on electro-typed plates of advertisements imported into Canada for use in Canadian publications is assessed in such a manner that it is only five per cent or less of the cost of the original photo-engraved plates. This is grossly unfair to the Canadian photo-engraving industry when we consider duties charged by the United States on Canadian plates shipped to American publications. It seems apparent that the American government is taking every step to protect its industries, large or small, and rightly so. As Canadians should we not expect as good a treatment from our government?

For a considerable time groups across Canada have asked for some help to retain our

individuality as Canadians in respect to the unfair situation presently surrounding periodical publications known as school year books. These school year books are being printed in the United States and shipped into Canada duty free. However, should a Canadian publisher or printer wish to produce such year books and import either the paper, the binding or any part of the book, he would be required to pay duty as high as twenty-two per cent on the materials.

In addition to the points mentioned in paragraph 6, it should also be noted that a large part of the machinery and most of the materials used in this industry must be imported from the United States. On these we pay certain taxes dependant on federal, provincial and/or municipal conditions. If Canadian publishers, printers, photo-engravers and allied trades should be given some support, it will also help to create wholly owned Canadian suppliers as our Canadian industries would grow and require truly Canadian services.

Should there be a growth in Canadian publications, standards of craftsmanship in the publishing and graphic arts industries will rise to higher levels, which in turn will create a higher calibre of operation of the many industries dependant on the Canadian publishing field. In turn this will contribute to a betterment of

Canadian standards of living and culture.

It should be borne in mind that the creation of new publications and the growth of current publications in Canada, will increase jobs in many fields. This increase will cover many fields of endeavour, in addition to those specifically within the area of the graphic arts.

Any measures that can be taken to implement a reasonable increase and growth in the field of Canadian publishing will be a constructive factor toward a successful Canadian economy. Conversely, if constructive support is denied to the Canadian publishing field, it can only result in a narrowing field of operation with a resultant decline in jobs and revenue to the country.

We feel that an intelligently planned program of support to the Canadian publishing industry and its allied industries will contribute materially to the continuing betterment of our Canadian culture.

The members of the following companies comprise the British Columbia Photo-Engraving Association:

Cleland-Kent Western Limited

North West Engravers Limited

Tri-Graphic Engravers Limited

Zenith Engraving Company Limited

all of Vancouver, B.C.

EXHIBIT NO. V-21: Submission of British Columbia Photo-Engravers Association.

COMMISSIONER JOHNSTON: You have unions in these four plants, do you?

MR. CLARK: Yes. The International Photo-Engravers Union is the dominant union.

COMMISSIONER JOHNSTON: Where is its headquarters?

MR. CLARK: In the United States. I believe it is in Cleveland. It is in the United States, anyway.

COMMISSIONER JOHNSTON: Have you had any labour trouble in your engraving business?

MR. CLARK: Sir, with the greatest of deference to this Commission, could you define "trouble" for me? We have labour negotiations from year to year with our Union, sir, yes. Trouble in the large sense of the word - no.

COMMISSIONER JOHNSTON: As an occasional buyer of engraving, it always seems to me that they cost too much money. I can remember as a youngster around a newspaper office when you could buy a one ~~in~~. cut of Sir Wilfred Laurier for about a dollar. What would a one ~~in~~. cut of Mr. Diefenbaker cost today?

MR. CLARK: What you say has a lot of merit. I have been in this business for thirty three years. When I started in the business

let me say for the sake of argument, a minimum line cut was $2.20 hard Canadian cash. Today that same engraving is $5.04. That parallels the increase of a number of commodities we have bought throughout the years, you and I.

COMMISSIONER JOHNSTON: Your retail prices have not advanced any more than the average of all prices, approximately?

MR. CLARK: We feel that they have lagged behind the prices of some commodities.

COMMISSIONER JOHNSTON: I have felt at times that there would be more engraving and more illustrations too in publications if the engraving costs were not too high. Would you care to comment on that?

MR. CLARK: I think I can answer your question fairly. As in any operation in any industry, as volume increases indivual unit costs decrease. Yes, I would say that if there were a greater volume of business offering in the photo engraving trade costs could be curtailed and probably reduced.

As a corollary to that, when volume declines, and by the nature of our economy we must continue to pay wages, which are the basic factor, according to agreements already signed with our contracting employees, then we are in a bit of a bind, you might say, and we are not able to reduce costs.

Have I answered your question fairly?

COMMISSIONER JOHNSTON: Yes, I think so. You say the machinery and materials in this industry must be imported from the United States. They are not made in this country?

MR. CLARK: No, Sir, the majority of them are not.

COMMISSIONER JOHNSTON: What about other countries - Britain, Germany?

MR. CLARK: The majority of similar equipment is made in the United Kingdom and also on the Continent of Europe. However, the standards of operation in Canada in the graphic arts industry so closely parallel those in the United States that it is more economic and more practical for we as Canadian photo-engravers to use that equipment more closely allied to that of our operation, and that is American.

COMMISSIONER BEAUBIEN: On the first page of your brief in paragraph 5 you say that the duty on electro-typed plates of advertisements imported into Canada for use in Canadian publications is assessed in such a manner that it is only five per cent or less of the cost of the original photo-engraved plates. You say this is grossly unfair in view of the duties charged by the United States on Canadian plates.

What is the American duty?

MR. CLARK: It works out at approximately 11½ per cent on the value of the Canadian photo-engraving entering the United States.

COMMISSIONER JOHNSTON: Is it a general custom for photo-engravers to give discounts to advertising agencies?

MR. CLARK: Yes. In Canada the normal agency discount is 15 per cent. That was in effect when I came into the business thirty odd years ago; it still is in Canada.

COMMISSIONER JOHNSTON: Not exceeding 15 per cent?

MR. CLARK: I am not aware of it.

COMMISSIONER JOHNSTON: There may be some special deals somewhere about which you do not know?

MR. CLARK: There may be. Our company allows 15 per cent to other companies on Canadian business.

THE CHAIRMAN: Ladies and Gentlemen, we now adjourn and we will meet tomorrow morning at 10:30, adjourning at 12:00 o'clock. We will be sitting for an hour and a half only.

---The hearing was adjourned at 3:00 p.m. until 10:30 a.m., Wednesday, November 23rd, 1960.